

Company Registered Number (England and Wales): 04932686
Charity Registered Number: 1101143

HARRISON HOUSING
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

HARRISON HOUSING
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Trustees	Mr M Collins, Chairman (from 24 June 2019) Mr N G A King QC, Vice Chairman (to 24 June 2019) Mr H Knowles ACA, Treasurer Mr J Malpass FCA, Chairman (to 24 June 2019) (resigned 10 September 2019) Air Marshal I C Morrison CBE, Vice Chairman (from 24 June 2019) Mrs M R Gunther Ms S Barber Mr P Lautman Ms S Hockett Mr R Hicks ACA Mr K Farnon Mrs C Knowles (resigned 24 June 2019)
Company registered number	04932686
Charity registered number	1101143
Registered office	46 St James's Gardens London W11 4RQ
Patron	The Right Hon Lord Scott of Foscote
Secretary	K Dowlath FCCA M Coleman FCA
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor 6th Floor 2 London Wall Place London EC2Y 5AU
Bankers	The Royal Bank of Scotland 1 Redheughs Avenue Edinburgh EH12 9JN
Solicitors	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT
Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP
Investment Managers	M&G Investment Chelmsford CM99 2XF

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Investment Managers	Brown Shipley Founders Court Lothbury London EC2R 7HE
Investment Managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Homes and Communities Agency	No. A4410

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors of the company (who are also the Trustees of the Charity under Charity Law) present their report and the audited financial statements for the year ended 31 December 2019.

Company status

The Harrison Homes was an almshouse Charity established in 1869 and Harrison Housing was formed to take over its activities: the transfer of activities was completed on 1 April 2004.

Harrison Housing is a charitable company limited by guarantee, incorporated under the Companies Act 1985 on 15 October 2003 and registered as a Charity on 10 December 2003. The company was established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. The Articles of Association were amended by special resolution passed on 22 February 2010. In the event of the company being wound up, each member is required to contribute an amount not exceeding £10.

Organisational structure

The directors of the company are also Charity Trustees for the purposes of Charity law and under the company's Articles are known as the Board. Under the company's Articles, the Board must comprise not less than 6 and not more than 12 Trustees. The Board members have a variety of professional backgrounds relevant to the work of the Charity and meet at least 4 times per year; since the year end the Board has introduced additional meetings to monitor the Charity's responses to the Covid-19 pandemic. There are also two sub-committees, Property and Finance, Risk & Audit, which meet on a quarterly basis. Both sub-committees report to the main Board.

OPERATING AND FINANCIAL REVIEW

Objectives and Activities

The objective of Harrison Housing is the relief of financial hardship suffered by older people and it does this primarily by the provision of housing and associated amenities, and other such charitable purposes as the Trustees shall from time to time decide. The objectives of its linked charities are also the relief of financial hardship suffered by older people and like Harrison Housing they seek to do that by the provision of housing. The precise criteria for the provision of accommodation by Harrison Housing and its linked charities varies slightly according to the underlying Trust Deed requirements. The Trustees have considered the Charity Commission's public benefit guidance when applying these objectives to decisions made about the Charity and its linked charities.

Applications for accommodation are received from older people who are generally living within the geographic areas where the Charity owns accommodation and they come from a diversity of backgrounds. The Charity does not discriminate when reviewing applications but it does ensure that applicants meet the criteria of each linked Charity and that they share a common problem in so far as they are in financial hardship.

The Charity and its linked Charities own properties in St James's Gardens and Minford Gardens in West London, Crawford Place in Marylebone, Shakespeare Road, Stanley Close and Royal Circus in South London, and Rousden Street in North London. These properties are divided into self-contained flats to provide sheltered accommodation and independent living. The larger sites have a

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scheme manager to provide support. The residents also benefit from fortnightly visits by volunteer visitors, one of whom is also a Trustee.

There is cyclical programme of maintenance for all properties in addition to planned annual maintenance to ensure that the buildings are kept in good repair.

The Charity also manages housing stock on behalf of other almshouse charities.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charities aims and objectives and when planning future activities. How the Trustees demonstrate that these objectives are met are set out above.

Achievements and Performance

Housing

During the year Harrison Housing provided accommodation to residents in 5 locations in London, the company had a housing stock of 111 units at December 2019 which was unchanged from the position at the end of last year. The last quinquennial review was carried out in 2015 and revealed no major issues requiring immediate action.

Routine repairs are made on a timely basis and kitchens and bathrooms are upgraded as the properties become vacant to ensure compliance with Decent Homes Standards.

Our health and safety record remained excellent with no reportable incidents during 2019. Compliance and other regulations are kept under review and appropriate action is taken if considered necessary. Checks were undertaken on fire safety, gas, electrical systems and water hygiene in all housing schemes.

Management services

The company has acted for a number of years as managing agent to other almshouse charities in the London area. At the end of 2019, these were Waltham Abbey Non-Educational Parochial Charities (11 units), West Hackney Almshouse Charity (9 units) and The Leathersellers' Barnet Charity (22 units). The company also provides management services to Butchers & Drovers Charitable Institution (10 units in Hounslow) and St Giles-in-the-Fields Almshouses (8 units in Covent Garden)

Voluntary services

It is recognised that all Trustees are volunteers and give their time freely, without which the Charity could not operate. One of the Trustees of Harrison Housing are also part of a group of 6 people, known as the Visitors, who provide a confidential befriending service to Harrison Housing residents.

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Value for money

The Charity strives continually to deliver better services for less cost, time or effort. This is achieved by reviewing costs and considering alternatives when contracts come up for renewal, monitoring performance against budgets and bench-marking against similar organisations. Particular attention has been devoted in recent years to implementing good practice and ensuring compliance with regulations relating to provision of almshouse accommodation, upgrading facilities, reducing voids and training of staff. The results have been supported by satisfaction surveys carried out among residents.

The accommodation we offer continues to be popular with residents and occupancy is usually over 98% with some smaller units achieving occupancy rates of 100%. Vacant units tend to be filled quickly either through contact with the local Councils in the Boroughs we operate in or from direct applications. Many residents receive support from local Councils in the form of Housing Benefit as they would otherwise struggle to find suitable accommodation.

The Regulator of Social Housing issued its Value for Money Standard which came into force from April 2018. It requires all Housing Associations to follow a standard set of calculations using the regulator's own metrics definitions to provide consistency across the sector.

		2019	2018
Metric 1	Reinvestment	0.97%	1.74%
Metric 2	New supply delivered	0.0%	0.0%
Metric 3	Gearing	0.00%	0.90%
Metric 4	EBITDA MRI (EBITDA Major Repairs Included) Interest cover %	0.0%	0.0%
Metric 5	Headline Social Housing costs per unit	£6,649	£5,997
Metric 6a	Operating Margin (Social lettings)	5.17%	11.90%
Metric 6b	Operating Margin (Overall)	4.47%	4.93%
Metric 7	ROCE %	0.09%	0.35%

The above metrics do not readily compare to the sector median for smaller Registered Providers due to the following:

1. As a Charity Harrison Housing enjoys a significant level of income from its Investments which produced £177,079 in 2019 (£157,266 in 2018). This income also underwrites part of our operating costs although our goal is to get to a position where our housing operations generate a sustainable surplus independent of financial investments; and
2. Harrison Housing provides management services to other almshouses which reflect in staff costs thereby inflating total operating costs. The number of units managed for other almshouses in 2019 was 60 (2018: 68) compared to our own housing stock of 111 (2018: 111) and direct staff costs of £402,656 (2018: £343,761). The almshouses we act for are separate legal entities and pay their own operating costs thus using the definitions provided to calculate the metrics does cause a distortion when looking at our reported costs.

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The Charity has identified ways in which its existing estate may be capable of being developed to provide additional accommodation but such projects will require planning permission and currently it has no live projects in development. But the Trustees believe the Charity is well placed to exploit future opportunities as it has no debt.

Fundraising

The Charity does not undertake fund raising activities during its normal course of operations.

Financial Review

Income and expenditure

Weekly maintenance contributions for the year net of voids amounted to £1,043,698 (2018: £1,019,644). Weekly maintenance contributions were increased for all properties during the year under review by 3.4% (2018: 4%). Service Charge income which is based on estimated costs payable by residents increased by 1.4% reflecting an increase in the estimated costs which are passed onto residents at cost.

Void costs have risen slightly as they represent 1.6% which is within our budget tolerance of 2% but is an increase on last year's rate of 1.2% which itself was 0.4% higher than in 2017.

Management of other schemes generated income of £94,673 (2018: £92,405) despite the loss of one contract at the end of 2018. The improved revenue from this source was principally due to an enhanced contract being agreed at one particular scheme as the result of increasing the number of hours for the Scheme Manager supplied by Harrison Housing.

Expenditure on raising funds which are the costs of the charities Investment Managers was £30,510 (2018: £34,453) representing 1.7% of gross investment income (2018: 2.2%).

Expenditure on charitable activities was £1,384,206 (2018: £1,234,089) representing 119% of income from charitable activities (2018: 107%). Included in expenditure on charitable activities are routine and cyclical repairs and maintenance of £309,678 (2018: £321,886) which represents 29% of gross rental income (2018: 31%). Cyclical repairs which by their nature are irregular in pattern represent £179,424 (2018: £235,166) of the total expenditure on repairs and maintenance.

The Charity's cash balances and investments generated income of £177,079 (2018: £157,266) and after suffering losses on its investments of £363,717 in 2018 the year under review saw those losses more than compensated for as investments returned gains of £607,748 for the year.

Further information on the financial performance of the Charity is contained in the accompanying financial statements.

Pension Scheme

For a number of years Harrison housing has been a member of a defined benefit multi-employer pension scheme called The Social Housing Pension Scheme (SHPS) administered by TPT Retirement Solutions (formerly The Pensions Trust). The total scheme has approximately 450 sponsoring employers.

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Historically TPT has not been able to provide sufficient information for each employer's share of SHPS to allow defined benefit ("DB") accounting to be applied. Instead, in accordance with FRS102 and the SORP, the majority of landlords, Harrison Housing included, have accounted for SHPS as a defined contribution ("DC") scheme and recognised a liability for the present value of the landlord's deficit funding agreement.

Following a number of changes made to systems and processes by TPT, sufficient information has now been made available for DB accounting to be applied and the requirements of FRS 102 paragraphs 28.14 to 28.28 have been applied in preparing the 2019 accounts.

FRS 102 does not make clear how to account for the transition from DB accounting to DC accounting. In January 2019 the FRC issued FRED 71 (Draft amendments to FRS 102, Multiemployer defined benefit plans) which provides proposed changes to FRS 102 on the issue.

The draft guidance has been followed in preparing these accounts and the significant changes to the figures reported are as follows:

- initial recognition of multi employer defined benefit pension scheme in the SoFA, a credit of £83,899
- Actuarial losses on defined benefit pension scheme £11,000 in the SoFA
- Creditors due after more than one year on the Balance Sheet £nil (last year £165k)
- Defined Benefit Pension Scheme liability £70,000 (last year £nil)

There are no comparatives for the figures above as they are not available. However, the net effect of the change in the accounting rules has moderately enhanced the presentation of financial position of the Charity

Investment policy

The Investment Policy is kept under review, having regard to expected requirements in relation to new projects under consideration by the Board, and reserve requirements. The overall objective of the investment policy for Harrison Housing in relation to its investments with Investec is to achieve long term capital growth and income on a total return basis of RPI + 2% with income rolled up and invested into capital. Performance achieved by Harrison Housing in the 12 months to December 2019 was 15% (2018: -3.9%) against a Benchmark Total Return of 14.5% (2018:-3.7%). However, the gains reported have largely been negated post year end as a result of the economic effect of the global Covid-19 pandemic.

For both Christian Union Almshouses and the Portal Home for Ladies, a cautious investment policy has been adopted to minimise risk. Investments are monitored and reviewed by Trustees on a regular basis. However both portfolios also saw losses in the year.

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Reserves policy

For Harrison Housing, designated reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties. Details of these designated reserves and restricted funds appear in the notes to the financial statements.

Past policy by the Trustees approved the created a Designated Tangible Fixed Asset Reserve to reflect the net book value of fixed assets, less other funds specifically related to fixed assets. The intended purpose is that this fund should not be used for any other purpose as it seeks to reflect the Charity's investment in fixed assets

For Harrison Housing, the Trustees consider it prudent to retain free reserves equivalent to 12 months expenditure, which is forecast to exceed £1 million in 2020. At this level continuity is ensured in case of a major incident which would reduce income for a period. Unrestricted General reserves not invested in tangible fixed assets were £4.22m at the balance sheet date after creating a Pension Reserve which became necessary following a change in the method of accounting for Multi-employer Pension Schemes that carry certain pension guarantees. The value of General Reserves was above the free reserves target which was set in earlier years however, the Charity is currently preparing a 5 year strategic plan and until that plan is finalised the Trustees are comfortable with the current level of the Reserve as it has the potential to provide funds for future plans.

At Christian Union Almshouses, reserves are also set aside in accordance with The Almshouse Association recommendations. In addition, an improvement fund is being built up for major development works required in the future.

At the Portal Home for Ladies, designated reserves are maintained on the specification of the Trust Deed for expenditure on cyclical maintenance and extraordinary repairs of the Charity's property.

The Trustees have reviewed the current reserves policies for all three charities in the light of current budgets and plans and consider that there are sufficient reserves to meet running costs for the foreseeable future.

Plans for Future Periods

The original plan for 2020 included the goals set for 2019:

- Explore the possibility of merging with other almshouse charities if opportunities arise;
- Seek opportunities to build new properties and extend current properties where possible; and
- Continue to modernise further flats across the portfolio when they become available after occupants move out.

The Covid-19 pandemic has caused the Trustees to re-assess the plans for 2020 in the light of a changed world although the impact of the crisis on Harrison housing itself has been very limited to-date. The Trustees are starting to refine their planning for a new 5-year Strategy document whilst at the same time recognising that the crisis may present the Charity with the opportunity to work with other almshouses who feel the need for greater support. The above goals remain key objectives but there is a recognition that 2020 will be a difficult year for the UK possibly limiting new opportunities.

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Structure, Governance and Management

Day-to-day management is delegated to the Chief Executive, who is responsible for ensuring that the Charity delivers the services specified and that key performance indicators are met. The Chief Executive is responsible delivering the objectives set by the Trustees and for ensuring that staff continue to develop their skills and working processes in line with good practice.

The key management team who are responsible for the day-to-day operations of the three charities is made up of the Chief Executive, the Director of Finance and the Operations Director. Remuneration for senior management personnel is reviewed annually at the first Finance, Risk and Audit Committee meeting of the year, along with proposed salary rates for all members of staff. The Charity aims to pay staff salaries which are fair and in line with rates paid by similar sized almshouses and housing associations. In setting salaries each year roles are benchmarked against rates paid by similar organisations where such information is available. Staff receive annual appraisals and all staff are paid above the national living wage. Trustees are not remunerated for their roles in the Charity.

Recruitment and Appointment of Trustees

Trustees are appointed by the Board. A skills review of the existing Trustees in 2015 prompted the board to look for additional Trustees with specific knowledge of housing management and property and during 2017 two Trustees were appointed to the Board to boost expertise in housing management, property and Charity growth.

Two Trustees (one of whom was the Chair of Trustees) resigned during 2019 and the Vice Chair resigned that role although he remains a Trustee. A new Chair and Vice Chair were appointed in June 2019. Full details of Trustees who served during the year and any changes since are shown on page 1.

As vacancies on the Board arise the Trustees will continue to seek new Trustees with appropriate skills and experience to assist the Charity with its plans and future growth. The Board seeks to find new Trustees through a combination of using existing Trustee contacts and advertising vacancies

Trustee Induction and Training

New Trustees are invited to familiarise themselves with the Charity and the context within which it operates. Briefing sessions are run, jointly led by the Chair of the Board and the Chief Executive of the Charity, covering:

- The obligations of Board members.
- The main documents which set out the operational framework for the Charity including the Memorandum and Articles of Association.
- Resourcing and the current financial position as set out in the latest statutory and management accounts.
- Future plans and objectives.
- Information from the various Charity Commission publications signposted through the Commission's guide "The Essential Trustee" are distributed to new Trustees, together with the Charity's governing documents, its Memorandum and Articles of Association and the latest published statutory financial statements.

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Related parties

The Charity is registered with the Homes and Communities Agency as a Private Registered Provider and is a member of the Almshouse Association. The Charity may from time to time obtain grants or loans from these organisations in connection with capital or refurbishment projects

Harrison Housing, The Christian Union Almshouses, Tonge Houses, The Portal Homes for Ladies, Howis Trust, Whicher and Kifford Almshouses, Letita Cornwall, Kifford's Almshouses, and Whicher's Almshouses are all registered charities and are Linked Charities for the purposes of Part 4 (registration) and Part 8 (accounting) of the Charities Act 2011.

Harrison Housing Trustees Limited, a wholly owned subsidiary of Harrison Housing, was dormant during the year and has never traded.

Risk management

The Trustees have assessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, as detailed below under internal controls, and are satisfied that systems are in place to mitigate exposure to the major risks.

The principal risks identified are as follows:

- Undertaking activities outside of the objectives of the Charity: we mitigate this risk by seeking legal and other advice before venturing into new areas of operation.
- Failing to respond to changes in legislation and best practice recommendations: we mitigate this risk by regularly reviewing policies and procedures in the light of changing requirements and engaging qualified professional for compliance visits.
- Trustees benefitting personally from their position: we mitigate this risk by not making payments to Trustees, reviewing Board performance and requiring annual declarations of interests to be provided by each Trustee.
- Risks both operational and financial that could stem from the Covid-19 pandemic: Trustees have introduced additional meetings in 2020 to monitor changing government advice and the Charity's responses to that advice. A separate Covid-19 Risk Register records key risks in this area.

Internal controls

The Trustees acknowledge their responsibility for the Charity's system of internal controls, including internal financial controls. The system of controls covers governance, strategy and finance, relating to the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information used both within the organisation and for publication. The systems established and maintained can provide reasonable but not absolute assurance against material misstatement or loss.

Formal policies and procedures which have regard both to the size of the organisation and the need to meet the requirements referred to above have been introduced. These include:

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- a) The appointment of suitably experienced and qualified personnel to implement the systems set up, and the appropriate delegation of authority to officers, staff and consultants to achieve this.
- b) The establishment of detailed procedures for accounting and financial functions and for the operation of essential controls in all areas.
- c) The production of detailed and longer term outline budgets and cash forecasts, and the submission of regular management accounts, to provide the information necessary to review and monitor the results of the organisation's operating activities and the financial position at any time.
- d) The formal control of any new commitment, development or activity by setting up an appropriate sub-committee of the Trustees to authorise, record and monitor the project and the transactions involved.
- e) An annual assessment of risks and risk management, as described above.

Statement of Board's Responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- observe methods and principles in the Charities SORP 2015 (FRS102)
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Members of the Board

Members of the Board, who are also Trustees of the Charity and who served during the year are set out on page 1.

Auditor

MHA MacIntyre Hudson are auditors of the charitable company.

COVID-19 Pandemic

As there were very few identified cases worldwide of COVID-19 identified prior 31 December 2019 the Trustees consider that any effect the pandemic may have on the operations of the Charity should be considered non-adjusting events ie that the financial effects do not require to be reflected in these financial statements. However, the pandemic will have a financial impact on the Charity's 2020 results. The lasting effects of the pandemic are yet to be assessed, or fully understood, but there is a general consensus that economic growth has slowed dramatically in 2020 and that the UK economy is likely to slip into recession. The economic repercussions of the pandemic will have a financial impact on the Charity's 2020 results.

Financial markets suffered losses in excess of 20% in the first quarter of 2020 although markets have rebounded to some extent in the second quarter and the Trustees expect to see a significant fall in the value of the Charity's investments by 31 December 2020. Investment income which accounted for 13% of total income in 2019 is also likely to show a fall during 2020.

The Charity's residents are elderly and therefore considered to be at higher risk than the general population should they fall ill with COVID-19. Should vacancies arise during the current year it may prove to be more difficult than usual to find and process new applicants but such delays are likely to be only temporary and the expectation is that demand for the Charity's properties is likely to rise in the longer term.

The Charity is in the fortunate position that it is not funded by donations and income from letting flats should remain stable, subject to any temporary voids. At the balance sheet date the Charity held £331,570 in cash which is the equivalent of approximately 3 months total operating costs. In addition it held £5.8m in quoted investments that could be converted into cash in an emergency.

The Trustees are also mindful that major expenses are generally incurred in respect of cyclical repairs which in many cases can be delayed in the short term should the need arise.

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These factors, including recognition that a significant proportion of the cash received every month is received from local Councils in the form of Housing Benefit for residents should enable the Charity to continue its operations for the foreseeable future.

Approved by the Board on 28 September 2020 and signed on its behalf by:



Martin Collins
Chairman

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees and signed on its behalf by:



.....
Mr M Collins

Date: 28 September 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARRISON HOUSING

Opinion

We have audited the financial statements of Harrison Housing (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARRISON HOUSING (CONTINUED)

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 Auditors' 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.

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.

Opinion 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARRISON HOUSING (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

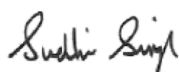
Auditors' responsibilities for the audit of the financial statements

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 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.

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 Auditors' 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditor

6th Floor

2 London Wall Place

London

EC2Y 5AU

Date: 23 October 2020

HARRISON HOUSING
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations	4	1,268	298	1,566	3,732
Charitable activities	5	833,460	331,430	1,164,890	1,155,812
Investments	7	131,971	45,108	177,079	157,266
Total income		966,699	376,836	1,343,535	1,316,810
Expenditure on:					
Raising funds	8	23,745	6,765	30,510	34,453
Charitable activities	9,10	1,090,093	294,113	1,384,206	1,234,089
Initial recognition of multi employer defined benefit pension scheme		(83,899)	-	(83,899)	-
Total expenditure		1,029,939	300,878	1,330,817	1,268,542
Net gains/(losses) on investments	16	510,900	96,848	607,748	(363,717)
Net movement in funds before other recognised gains/(losses)		447,660	172,806	620,466	(315,449)
Other recognised losses		(2,307)	-	(2,307)	(63,428)
Actuarial losses on defined benefit pension schemes	28	(11,000)	-	(11,000)	-
Net movement in funds		434,353	172,806	607,159	(378,877)
Reconciliation of funds:					
Total funds brought forward		4,402,272	9,057,939	13,460,211	13,839,088
Net movement in funds		434,353	172,806	607,159	(378,877)
Total funds carried forward		4,836,625	9,230,745	14,067,370	13,460,211

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 50 form part of these financial statements.

HARRISON HOUSING
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04932686

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	15		8,029,367		8,200,053
Investments	16		5,792,272		5,042,256
			13,821,639		13,242,309
Current assets					
Debtors	17	102,211		100,695	
Investments	18	39,376		39,213	
Cash at bank and in hand		331,570		377,662	
		473,157		517,570	
Creditors: amounts falling due within one year	19	(157,426)		(134,668)	
Net current assets			315,731		382,902
Total assets less current liabilities			14,137,370		13,625,211
Creditors: amounts falling due after more than one year	20		-		(165,000)
Defined benefit pension scheme liability	28		(70,000)		-
Total net assets			14,067,370		13,460,211
Charity funds					
Restricted funds	21		9,230,745		9,057,939
Unrestricted funds	21		4,836,625		4,402,272
Total funds			14,067,370		13,460,211

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

HARRISON HOUSING
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Martin Collins, Chairman

Date: 28 September 2020

The notes on pages 22 to 50 form part of these financial statements.

HARRISON HOUSING
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	23	5,067	84,804
Cash flows from investing activities			
Investment income	7	177,079	157,266
Purchase of tangible fixed assets	15	(82,088)	(146,673)
Proceeds from sale of investments	16	411,741	443,187
Purchase of investments	16	(546,690)	(497,455)
Movement on investments cash account	16	(7,320)	(10,303)
Net cash (used in)/ provided by investing activities		(47,278)	(53,978)
Cash flows from financing activities			
Repayments of borrowing	19	(3,718)	(7,781)
Net cash used in financing activities		(3,718)	(7,781)
Change in cash and cash equivalents in the year		(45,929)	23,045
Cash and cash equivalents at the beginning of the year		416,875	393,830
Cash and cash equivalents at the end of the year	24	370,946	416,875

The notes on pages 22 to 50 form part of these financial statements

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Harrison Housing is a company limited by guarantee and is registered with the Charity Commission as an Almshouse Charity (Charity Registered Number 1101143), the Registrar of Companies (Company Registration Number 4932686) and with The Homes and Communities Agency as a private registered provider (Homes and Communities Agency Number A4410).

The company was incorporated on 15 October 2003 and commenced its activities on 1 April 2004, when the assets and liabilities of The Harrison Homes were transferred to Harrison Housing.

The members of the Charity are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

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 detailed in the Trustees' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The financial statements are presented in sterling, which is the functional currency of the Charity, and are rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Income

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

Income from housing represents housing contributions (including service charge income), income from the provision of management services and charitable income.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Report.

Investment income is earned through holding assets for investment purposes such as shares. It included dividends and interest. Where it is not practical to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Charity's right to receive payment is established.

Social Housing Capital grants are recognised only when receivable, or in the period in which a scheme is completed where the amount of the grant has been determined. Grants are reflected in the Fixed Asset Fund; all fixed assets are treated as restricted with depreciation on grant funded assets reducing this fund.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Taxation

The Charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Charitable Gains Act 1992 to the extent that these are applied to its charitable objectives.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives are as follows:

Buildings	- 100 years
Roofs	- 70 years
Windows	- 30 years
Boilers	- 15 years
Kitchens	- 15 years
Bathrooms	- 15 years
Mechanical elements	- 30 years
Electrics	- 40 years
Lifts	- 20 years
Fixtures and fittings	- 10 years

2.7 Investments

Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year. As investments are revalued to fair value continuously, no realised gains or losses arise.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Loans and borrowing

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

2.11 Liabilities

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.12 Financial instruments

The Charity only holds basic financial instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 17. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments, and are measured at amortised cost as detailed in Notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.13 Pensions

The charity's employees are entitled to join The Pensions Trust - Social Housing Pension Scheme, a multi-employer defined benefit scheme. Previously the Charity did not have sufficient information to be able to account for its share of the assets and liabilities of the Scheme. Therefore in accordance with FRS 102 the Scheme was accounted for as a defined contribution scheme except to the extent that where an agreement was entered into to fund a deficit over a period of time this liability was recognised on a discounted basis. With effect from 1 January 2019 The Pension Trust has received sufficient information in relation to the charity's employees to account for the scheme as a defined benefit scheme. The Charity has adopted the Financial Reporting Council guidance 'Amendments to FRS 102 multi-employer defined benefit plans' and the scheme is accounted for a defined benefit scheme from that date as set out below.

Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are performed triennially and are updated at each reporting date.

The amount charged to the operating surplus are the current service costs and gains and losses on settlements and curtailments together with any change in the net defined benefit liability arising from employee service and are included as part of staff costs. Net interest on the defined benefit pension liability is shown as part of interest payable in the Statement of Financial Activities. Actuarial gains and losses on re-measurement of the defined benefit pension liability are reported within the Statement of Financial Activities.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

- Depreciation rates for tangible fixed assets
- Allocation of support costs

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

- Useful economic lives of assets
- Defined Benefit Pension Scheme

The Charity has an obligation to fund the pension benefits of its employees who are current or past members of the pension scheme. The cost of the benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension liability in the Balance Sheet. The assumptions reflect historical experience and current trends. See Note 28 for the disclosures relating to the defined benefit pension scheme.

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

4. Income from donations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations	1,268	-	1,268
Grants	-	298	298
Total 2019	1,268	298	1,566

	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	3,732	3,732

5. Income from charitable activities - by fund

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Housing activities	833,460	331,430	1,164,890

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Housing activities	879,054	276,758	1,155,812

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Income from charitable activities - by type

	2019	2018
	£	£
Housing activities		
Rental income receiveable	704,849	681,462
Service charges receivable	355,431	350,408
	<hr/>	<hr/>
Gross rental income	1,060,280	1,031,870
	<hr/>	<hr/>
Losses from void accomodation	(16,582)	(12,226)
	<hr/>	<hr/>
	1,043,698	1,019,644
	<hr/>	<hr/>
Management fees	94,673	92,405
Other rental income	17,679	16,780
Sundry income	8,840	26,983
	<hr/>	<hr/>
Total	1,164,890	1,155,812
	<hr/> <hr/>	<hr/> <hr/>

Rental income includes £56,235 (2018 - £54,292) restricted income from the Greenwoods Almshouse, £81,998 (2018 - £62,528) restricted to Christian Union Almshouses and £54,002 (2018 - £31,571) restricted to Tonge Houses, Portal Homes for Ladies.

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Income from investments

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Dividend income	131,163	44,849	176,012
Bank deposit and bond interest	808	259	1,067
Total 2019	131,971	45,108	177,079
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Dividend income	129,820	27,049	156,869
Bank deposit and bond interest	320	77	397
<i>Total 2018</i>	<i>130,140</i>	<i>27,126</i>	<i>157,266</i>

All of the Charity's income from investments arises from money held in stocks, shares and interest bearing deposit accounts with Investec, NAACIF, Brown Shipley and COIF.

During the year, the investment holding in NAACIF was transferred to the M&G Charity Multi Asset Fund in its entirety.

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Expenditure on raising funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Investment management fees	23,745	6,765	30,510
	<u> </u>	<u> </u>	<u> </u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Investment management fees	29,068	5,385	34,453
	<u> </u>	<u> </u>	<u> </u>

9. Analysis of expenditure on charitable activities - by fund

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Housing activities	1,090,093	294,113	1,384,206
	<u> </u>	<u> </u>	<u> </u>
	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Housing activities	881,529	352,560	1,234,089
	<u> </u>	<u> </u>	<u> </u>

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Analysis of expenditure on charitable activities - by type

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Housing activities	989,755	394,451	1,384,206

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Housing activities	898,259	335,830	1,234,089

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Analysis of expenditure on charitable activities - by type (continued)

Analysis of direct costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Direct staff costs	402,656	343,761
Depreciation	251,760	232,612
Routine repairs and maintenance	179,424	235,166
Cyclical repairs and maintenance	155,915	86,720
Total 2019	989,755	898,259

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Defined benefit pension scheme finance cost	4,000	-
Support staff costs	3,081	38,355
Legal and other professional fees	38,378	38,939
Governance costs	37,172	12,525
Other staff costs	18,851	24,405
Premise costs	174,805	148,943
Other costs	96,250	70,405
Bank charges and interest payable	1,373	2,258
Bad debt write off	20,541	-
Total 2019	394,451	335,830

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Governance costs

	2019 £	2018 £
Under accrual for 2017 (CUA) - audit	-	2,460
Under accrual for 2017 (HH) - audit	-	1,127
Under accrual for 2017 (Portal) - audit	-	2,938
Audit	17,445	6,000
2018 under accrual audit	12,075	-
Accounts	3,100	-
2018 under accrual accounts	3,000	-
Other	1,552	-
	37,172	12,525

12. Auditors' remuneration

	2019 £	2018 £
Under accrual for 2017 audit and accounts (HH)	-	1,127
Under accrual for 2017 audit and accounts (Portal)	-	2,938
Under accrual for 2017 audit and accounts (CUA)	-	2,460
Under accrual for 2018 audit and accounts	15,075	-
VAT advisory work	1,552	-
Accrual for 2018 audit and accounts	-	6,000
Accrual for 2019 audit and accounts	20,545	-

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Staff costs

	2019	2018
	£	£
Wages and salaries	366,715	329,896
Social security costs	36,715	32,222
Pension costs	2,307	19,998
	405,737	382,116

The average number of persons employed by the Charity during the year was as follows:

	2019	2018
	No.	No.
Operating staff - Full time	3	3
Operating staff - Part time	3	1
Administrative staff - Full time	3	3
Administrative staff - Part time	4	3
	13	10

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	-	1

The Key Management Personnel of the Charity comprise the Trustees and the Senior Management Team. The total amount of employee benefits received by Key Management Personnel, including employer national insurance and pension contributions, was £193,109 (2018 - £164,196).

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 December 2019, no Trustee expenses have been incurred (2018 - £80 to 1 Trustee).

HARRISON HOUSING
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2019	10,507,137	248,181	43,042	10,798,360
Additions	76,154	5,934	-	82,088
Disposals	(52,383)	(4,037)	-	(56,420)
At 31 December 2019	10,530,908	250,078	43,042	10,824,028
Depreciation				
At 1 January 2019	2,488,622	85,636	24,049	2,598,307
Charge for the year	206,340	15,923	2,825	225,088
On disposals	(5,235)	(23,499)	-	(28,734)
At 31 December 2019	2,689,727	78,060	26,874	2,794,661
Net book value				
At 31 December 2019	7,841,181	172,018	16,168	8,029,367
At 31 December 2018	8,018,515	162,545	18,993	8,200,053

The Trustees believe that the value of the housing properties is substantially in excess of cost, based on reinstatement values for insurance purposes. In the event that any housing property should be sold, a liability may arise for the repayment, at least in part, of grants received.

Non-housing assets include £15,000 for the Newell Hall Orchard, which has been included at Trustee's valuation as at 31 December 2015. The historic cost was £Nil. The Trustee's valued the land in 2001 and have not updated the valuation because they are not aware of any material change in value.

HARRISON HOUSING
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Fixed asset investments

	Listed securities £
Fair value	
At 1 January 2019	5,042,256
Additions	546,690
Disposals	(411,742)
Revaluations	607,748
Movement on cash account	7,320
At 31 December 2019	5,792,272
Net book value	
At 31 December 2019	5,792,272
<i>At 31 December 2018</i>	<i>5,042,256</i>

All the fixed asset investments are held in the UK

The investments are held in National Association of Almshouses Common Investment Fund units and managed listed securities held with Investec and Browne Shipley. All funds are invested within listed companies for which there is a readily available market value. The historic valuation of the NAACIF holdings include £2,509 representing a permanent endowment fund which formed part of Greenwood's Almshouses Trust and £2,669 for Christian Union Almshouse.

During the year, the investment holding in NAACIF was transferred to the M&G Charity Multi Asset Fund in its entirety.

Harrison Housing also has a £1 investment in its wholly owned subsidiary Harrison Housing Trustees Limited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Debtors

	2019	2018
	£	£
Due within one year		
Maintenance contributions - housing	15,003	22,494
Other debtors	44,865	39,159
Prepayments and accrued income	42,343	39,042
	102,211	100,695

18. Current asset investments

	2019	2018
	£	£
Short term bank deposits	39,376	39,213

19. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Housing loans	-	3,718
Trade creditors	32,968	42,692
Other taxation and social security	11,631	9,547
Pension fund creditor	-	27,222
Other creditors	35,662	5,286
Accruals and deferred income	77,165	46,203
	157,426	134,668

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20. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Pension deficit liability	-	165,000
	<u> </u>	<u> </u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2019	2018
	£	£
Repayable by instalments	-	165,000
	<u> </u>	<u> </u>
	<u> </u>	<u>165,000</u>

The Pension deficit liability represents the liability due in respect of the Social Housing Pensions Scheme - a multi-employer, defined benefit pension scheme. The liability has been discounted over the expected lifetime of the debt.

In previous years the final salary pension scheme had been accounted for as a defined contribution pension scheme. This is because the pension scheme, TPT, were unable to determine the specific assets and liabilities in the scheme that were associated with Harrison Housing. This year, TPT have been able to separately identify the assets and liabilities of the scheme that relate to Harrison Housing and as such the accounting for the pension now follows defined benefit accounting. In line with FRC guidance this had led to the removal of the deficit liability of £165k reported in the prior year. Recognition of these assets and liabilities is in actuarial terms and the assets and liabilities attributable to Harrison Housing upon initial recognition resulted in a net credit to the SoFA. Further details on the actuarial valuation on the assets and liabilities attributable to the scheme can be found in note 28 and 29 to the accounts.

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Designated funds						
Cyclical maintenance fund	592,692	-	(155,915)	164,000	-	600,777
Revaluation reserve	15,000	-	-	-	-	15,000
	<u>607,692</u>	<u>-</u>	<u>(155,915)</u>	<u>164,000</u>	<u>-</u>	<u>615,777</u>
General funds						
General reserve	3,794,580	966,699	(815,024)	(164,000)	508,593	4,290,848
Pension reserve	-	-	(59,000)	-	(11,000)	(70,000)
	<u>3,794,580</u>	<u>966,699</u>	<u>(874,024)</u>	<u>(164,000)</u>	<u>497,593</u>	<u>4,220,848</u>
Restricted funds						
Greenwoods	198,818	56,998	(48,139)	-	2,349	210,026
Howis Trust	131,002	86,249	(81,404)	-	-	135,847
Whicher & Kifford	414,806	53,244	(45,902)	-	-	422,148
Fixed asset fund	4,641,400	-	-	-	-	4,641,400
Portal	874,157	62,905	(50,143)	-	37,921	924,840
CUA	2,797,756	117,440	(75,290)	-	56,578	2,896,484
	<u>9,057,939</u>	<u>376,836</u>	<u>(300,878)</u>	<u>-</u>	<u>96,848</u>	<u>9,230,745</u>
Total of funds	<u>13,460,211</u>	<u>1,343,535</u>	<u>(1,330,817)</u>	<u>-</u>	<u>594,441</u>	<u>14,067,370</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Designated funds						
Cyclical maintenance fund	453,696	-	-	138,996	-	592,692
Revaluation reserve	15,000	-	-	-	-	15,000
	<u>468,696</u>	<u>-</u>	<u>-</u>	<u>138,996</u>	<u>-</u>	<u>607,692</u>
General funds						
General reserve	4,148,470	1,012,926	(910,597)	(86,880)	(369,339)	3,794,580
Total Unrestricted funds	<u>4,617,166</u>	<u>1,012,926</u>	<u>(910,597)</u>	<u>52,116</u>	<u>(369,339)</u>	<u>4,402,272</u>
Restricted funds						
Greenwoods	194,187	54,292	(47,580)	-	(2,081)	198,818
Howis Trust	101,912	84,093	(55,003)	-	-	131,002
Whicher & Kifford	432,544	-	-	(17,738)	-	414,806
Fixed asset fund	4,675,778	-	-	(34,378)	-	4,641,400
Portal	970,293	50,283	(128,714)	-	(17,705)	874,157
CUA	2,847,208	115,216	(126,648)	-	(38,020)	2,797,756
	<u>9,221,922</u>	<u>303,884</u>	<u>(357,945)</u>	<u>(52,116)</u>	<u>(57,806)</u>	<u>9,057,939</u>
Total of funds	<u><u>13,839,088</u></u>	<u><u>1,316,810</u></u>	<u><u>(1,268,542)</u></u>	<u><u>-</u></u>	<u><u>(427,145)</u></u>	<u><u>13,460,211</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. Statement of funds (continued)

General funds

The Pension reserve has been created to separately identify the defined benefit pension scheme liability.

Designated funds

Cyclical maintenance of the company's housing properties is carried out in accordance with a defined programme, dealing with internal decorations (flats and communal areas), and external decorations every seven years, and five years respectively. During the year, transfers have been made out of restricted funds and into the cyclical maintenance fund to top up the funds readily available to carry out these repairs.

The annual transfer from income and expenditure account shown above represents the estimated annualised cost of the cyclical maintenance programme.

Amounts transferred each year from designated reserves to income and expenditure account correspond with the cost of cyclical maintenance carried out during the year.

The balance on the cyclical maintenance designated reserves at the year-end represents the total of the aggregate annualised charges for projects within each maintenance cycle.

Restricted funds

The Charity's restricted reserves represent the net assets acquired under schemes sanctioned by the Charity Commission in June and July 2007 in relation to Greenwood's Almshouses Trust and The Howis Trust. The net surplus or deficit for the period represents the surplus or deficit of income less expenditure attributable to the Greenwoods Trust and the Howis Trust in respect of the period following their acquisition.

The restricted refurbishment reserve represents funds received specifically for the purpose of refurbishing the properties at 1 and 2 Stanley Close belonging to Whicher and Kifford Almshouses.

The Fixed Asset Fund represents the net book value of tangible fixed assets less restricted reserves. Funds are transferred into or out of the general fund each year to enable this equation. These funds are not readily available for other purposes.

The Charity's restricted reserves include the net surplus of income less expenditure for Christian Union Almshouses and The Tonge, The Portal Home for Ladies in respect of the period following their acquisition.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	15,000	8,014,367	8,029,367
Fixed asset investments	4,575,894	1,216,378	5,792,272
Current assets	473,157	-	473,157
Creditors due within one year	(157,426)	-	(157,426)
Defined benefit pension scheme liability	(70,000)	-	(70,000)
Total	4,836,625	9,230,745	14,067,370

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	15,000	8,185,053	<i>8,200,053</i>
Fixed asset investments	4,394,401	647,855	<i>5,042,256</i>
Current assets	256,282	261,288	<i>517,570</i>
Creditors due within one year	(98,411)	(36,257)	<i>(134,668)</i>
Creditors due in more than one year	(165,000)	-	<i>(165,000)</i>
Total	4,402,272	9,057,939	13,460,211

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. Reconciliation of net movement in funds to net cash flow from operating activities

		2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)		620,466	(315,449)
Adjustments for:			
Depreciation charges	15	225,088	232,612
(Gains)/losses on investments	16	(607,748)	363,717
Investment income	7	(177,079)	(157,266)
Loss on the sale of fixed assets	15	27,686	41,510
(Increase)/decrease in debtors	17	(1,516)	3,289
Decrease in creditors	19,20	(138,523)	(20,181)
Remeasurement of pension		(2,307)	(63,428)
Defined benefit pension scheme liability transferred in	28	83,000	-
Defined benefit pension scheme finance cost	28	4,000	-
Defined benefit pension scheme employer contributions payable	28	(28,000)	-
Net cash provided by operating activities		5,067	84,804

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	331,570	377,662
Short term bank deposits	39,376	39,213
Total cash and cash equivalents	370,946	416,875

HARRISON HOUSING
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

25. Analysis of Net Debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	377,662	(46,092)	331,570
Debt due within 1 year	(3,718)	3,718	-
Liquid investments	39,213	163	39,376
	<u>413,157</u>	<u>(42,211)</u>	<u>370,946</u>

26. Contingent liabilities

Other than the potential employer debt on the Pension Scheme (Note 28) there were no other contingent liabilities at the balance sheet date (2018: £nil).

27. Social housing grant

The total Social Housing Grant received for the Harrison Housing charitable company as at the 31 December 2019, was £4,645,318 (2018 - £4,645,318), made up as follows:

	£
Capital grant	4,604,327
Revenue grant	40,991
Total	<u>4,645,318</u>
Grant relating to components disposed of as at 01/01/2019	228,454
Disposals during 2019	-
	<u>228,454</u>

This liability is reflected within the Restricted Fixed Asset fund.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

28. Pension commitments

The Charity participates in the Social Housing Pension Scheme (SHPS) a multi-employer scheme which provides benefits to some 450 non-associated employers. The scheme is a defined benefit scheme in the UK administered by TPT Retirement Solutions (TPT). Historically TPT has not been able to supply sufficient information for each employer's share of SHPS to allow defined benefit accounting to be applied. Instead, in accordance with FRS 102 paragraphs 28.11 and 28.11A and, the Charity accounted for SHPS as a defined contribution scheme and recognised a liability for the present value of the deficit funding agreement.

Following a number of changes made to systems and processes by TPT, sufficient information is available for SHPS to allow defined benefit accounting to be applied with effect from 1 January 2019 and the Charity has adopted the 'Amendments to FRS 102 multi-employer defined benefit plans'.

The scheme is classified as a 'last-man standing arrangement'. Therefore the Charity is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. The actuarial valuation showed assets of £4,553m, liabilities of £6,075m and a deficit of £1,522m.

Principal actuarial assumptions at the Balance Sheet date:

	At 31 December 2019 %
Discount rate	1.85
Inflation (RPI)	3.10
Inflation (CPI)	2.10
Salary Growth	3.10
Allowance of commutation of pension for cash at retirement	75

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

28. Pension commitments (continued)

The mortality assumptions adopted at 31 December 2019 imply the following life expectancies:

	At 31 December 2019 Years
Mortality rates (in years)	
- for a male aged 65 now	21.8
- at 65 for a male aged 45 now	23.2
- for a female aged 65 now	23.5
- at 65 for a female aged 45 now	24.7

The Charity's share of the assets in the scheme was:

	At 31 December 2019 £
Global Equity	103,000
Absolute Return	24,000
Distressed Opportunities	10,000
Credit Relative Value	13,000
Alternative Risk Premia	34,000
Emerging Markets Debt	19,000
Risk Sharing	17,000
Insurance-Linked Securities	14,000
Property	11,000
Infrastructure	36,000
Private Debt	10,000
Opportunistic Illiquid Credit	9,000
Corporate Bond Fund	25,000
Long Lease Property	10,000
Secured Income	17,000
Liability Driven Investment	155,000
Net Current Assets	3,000
Total fair value of assets	510,000

The actual return on scheme assets was £50,000.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

28. Pension commitments (continued)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £
Interest income	12,000
Interest cost	(14,000)
Administrative expenses	(2,000)
Total amount recognised in the Statement of Financial Activities	(4,000)

Movements in the present value of the defined benefit obligation were as follows:

	2019 £
Defined benefit obligation transferred in	553,000
Interest cost and administration expenses	16,000
Actuarial losses	49,000
Benefits paid	(38,000)
Closing defined benefit obligation	580,000

Movements in the fair value of the Charity's share of scheme assets were as follows:

	2019 £
Fair value of scheme assets transferred in	470,000
Expected return on assets	12,000
Actuarial gains	38,000
Contributions by employer	28,000
Benefits paid	(38,000)
Closing fair value of scheme assets	510,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

28. Pension commitments (continued)

Reconciliation of opening to closing Defined Benefit Pension Scheme liability:

	2019 £
Defined benefit pension scheme liability transferred in at 1 January 2019	83,000
Defined benefit pension scheme cost less contributions payable	(28,000)
Defined benefit pension scheme finance cost	4,000
Actuarial losses	11,000
Defined benefit pension scheme liability at 31 December	70,000

The amounts recognised in the Balance Sheet are as follows:

	2019 £
Present value of the defined benefit obligation	(580,000)
Fair value scheme assets	510,000
	(70,000)

29. Initial recognition of multi employer defined benefit pension scheme

As stated in the pension policy, the accounting for the TPT SHPS pension has changed from a defined contribution scheme to a defined benefit scheme, and this transition gave rise to a £84k credit in the SOFA. Prior to 2019, actuaries were unable to clearly allocate the pension deficit to specific organisations. This assessment has taken place in 2019. The deficit recovery liability that was recognized in the 2018 accounts as £167k has been derecognized, and the result is a net benefit to the charity of £84k.

30. Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Notes 13 and 14, there were no related party transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

31. Post balance sheet events

As there were very few identified cases worldwide of COVID-19 identified prior 31 December 2019 effect the COVID-19 pandemic on the 2020 and continuing operations of the Charity are considered to be non-adjusting events ie that the financial effects do not require to be reflected in these financial statements. The economic consequences of the COVID-19 pandemic will have a financial impact on the Charity's 2020 results as the losses on investments which at one point exceeded 25% of the December valuation are unlikely to be fully recovered in 2020 as economies worldwide have fallen from 2019 valuations by a significant margin. The lasting effects of the pandemic are yet to be assessed, or fully understood, but there is a general consensus that economic growth has slowed dramatically in 2020 and that the UK economy is likely to slip into recession.

The Charity is in the fortunate position that it is not funded by donations and income from letting flats should remain stable, subject to any temporary voids. At the Balance Sheet date the Charity held £331,570 in cash which is the equivalent of approximately 3 months total operating costs. In addition it held £5.8m in quoted investments that could be converted into cash in an emergency.