

# **The Harris Charity**

## **Financial Statements**

**For The Year Ended  
5 April 2020**

THE HARRIS CHARITY

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# THE HARRIS CHARITY

## CHARITY DETAILS

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<b>Trustees:</b>	E J Booth CBE DL LLD - (Chairman) P R Metcalf MBE FCA DChA - (Vice Chairman) Dr A W Andrews Mrs A Anwar – appointed 14 November 2019 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
<b>Honorary Vice President</b>	W S Huck
<b>Secretary</b>	D M Ingram FCA
<b>Registered Address</b>	Richard House 9 Winckley Square Preston PR1 3HP
<b>Charity Number</b>	526206
<b>Independent Examiner</b>	J Standing FCA DChA James Todd & Co Chartered Accountants & Registered Auditors Greenbank House 141 Adelphi Street Preston PR1 7BH
<b>Investment Advisers</b>	Brown Shipley U K Authorised Private Bank 3 Hardman Street Spinningfields Manchester M3 3HF
<b>Endowment Fund</b>	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 2020**

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The Trustees present their report and financial statements of the charity for the year ended 5 April 2020. 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 are pleased to welcome Mrs Anjum Anwar who was appointed a trustee of the charity on 14 November 2019.

The trustee, Mr S Huck was 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 have for some years managed the portfolio through the investment advisors with a desired income level of £120,000 per annum, accepting a moderate level of risk. In the present circumstances, taking into account the impact of Covid – 19, the investment advisors have indicated a more realistic income target of £100,000 per annum and even this may not be achievable in the immediate future given the effects of cuts in company distributions. The trustees continue to take a long term view on the investment portfolio.

# THE HARRIS CHARITY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2020

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#### 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 3 on page 11.

#### Review of activities – achievements and performance

During the year 28 grants (2019:27) have been made by the charity totalling £37,675 (2019:£41,789). Grants amounting to £60,733 (2019:£20,483) 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 Statement of Financial Activities (SOFA) for the period is set out on page 6.

The charity's income during the year amounted to £127,449 (2019:£137,442).

Resources expended during the year amounted to £80,484 (2019:£85,723). Grants payable during the year totalled £37,675 (2019:£40,489). The overall result was an increase in the value of the unrestricted fund of £63,903 (2019:increase of £74,679) to £486,804 (2019:£422,901) at 5 April 2020 after deducting the unrealised loss of £6,125 (2019:Nil) on current asset investments held.

During the year the value of the endowment fund decreased by £747,956 (2019:increase of £74,502) to £3,152,381 (2019:£3,900,337) at 5 April 2020. This occurred as a result of realised losses of £723 (2019:gains of £219) and unrealised losses of £724,170 (2019:gains of £97,243) and after deducting investment management costs of £23,063 (2019:£22,960).

The Covid -19 pandemic has had a significant effect on the results of the year. Although investment income levels have remained largely unaffected, the value of investments have seen a sharp decline.

#### Future plans

The charity intends to continue with its current investment, management and grant awarding policies. The trustees will however take in to account the effects of the Covid – 19 pandemic on the charity and, if necessary, revise their plans accordingly.

**THE HARRIS CHARITY**  
**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2020**

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**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 £486,804 (2019:£422,901).

The impact of Covid -19 was felt just before the year end. The trustees will continue to monitor reserves carefully to ensure that future commitments can be met.

**Risk management**

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

The trustees consider the variability of investment returns on the Unrestricted Investment Fund to constitute a financial risk. This is mitigated by retaining expert investment managers and the holding of a diversified investment portfolio. The trustees have considered the effect of Covid -19 on the value of the charity's investments and the income received therefrom, and continue to monitor the situation together with the investment advisors, Brown Shipley. The trustees continue to take a long term view and will take appropriate action in the future in consultation with the investment advisor.

**Trustees' responsibilities in relation to the financial statements**

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

The law applicable to charities 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 the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice 2019 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 19 November 2020 and signed on its behalf:

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

*Edwin Booth*

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

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I report to the trustees on my examination of the accounts of The Harris Charity for the year ended 5 April 2020 set out on pages 6 to 17.

**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).

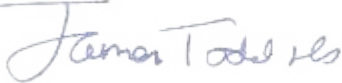
I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

**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.



**John Standing FCA DChA**  
**For and on behalf of James Todd & Co**  
**Chartered Accountants & Registered Auditors**  
**Greenbank House**  
**141 Adelphi Street**  
**Preston**  
**PR1 7BH**

**Dated:** 7 December 2020

**THE HARRIS CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 5 APRIL 2020**

	Note	Unrestricted Fund £	Endowment Fund £	Total 2020 £	Total 2019 £
<b>Incoming resources</b>					
Investment income	2	127,449	-	127,449	137,442
<b>Total incoming resources</b>		127,449	-	127,449	137,442
<b>Resources expended</b>					
Investment management costs		-	23,063	23,063	22,960
Charitable activities	3	37,675	-	37,675	41,789
Support costs	4	19,746	-	19,746	20,974
<b>Total resources expended</b>		57,421	23,063	80,484	85,723
<b>Net incoming/(outgoing) resources before revaluations, investment disposals and transfers</b>		70,028	(23,063)	46,965	51,719
Realised gains/(losses)	15	-	(723)	(723)	219
Unrealised gains/(losses)	5,8 & 17	(6,125)	(724,170)	(730,295)	97,243
<b>Net movement in funds</b>		63,903	(747,956)	(684,053)	149,181
Total funds brought forward		422,901	3,900,337	4,323,238	4,174,057
<b>Total funds carried forward</b>		486,804	3,152,381	3,639,185	4,323,238

The notes on pages 8 to 17 form part of these financial statements.



# THE HARRIS CHARITY

## BALANCE SHEET

AS AT 5 APRIL 2020

	Note	Unrestricted Fund £	Endowment Fund £	Total 2020 £	Total 2019 £
<b>Fixed assets</b>					
Investments	5	-	3,042,770	3,042,770	3,803,307
<b>Current assets</b>					
Debtors	6	5,752	-	5,752	9,884
Loans	7	13,925	-	13,925	14,050
Investments	8	243,875	-	243,875	-
Cash at bank	9	234,322	109,611	343,933	512,259
		497,874	109,611	607,485	536,193
<b>Creditors</b>					
Amounts falling due within one year	10	(11,070)	-	(11,070)	(16,262)
<b>Net current assets</b>		486,804	109,611	596,415	519,931
<b>Net assets</b>		486,804	3,152,381	3,639,185	4,323,238
<b>Represented by:</b>					
<b>Funds</b>					
Unrestricted fund	11	486,804	-	486,804	422,901
Endowment fund	11	-	3,152,381	3,152,381	3,900,337
<b>Total charity funds</b>		486,804	3,152,381	3,639,185	4,323,238

### Certificate of Trustees

Approved by the Board of Trustees on 19 November 2020 and signed on its behalf by:

*Edwin Booth*

E J Booth CBE DL LLD – Chairman of Trustees

*P R Metcalf*

P R Metcalf MBE FCA DChA

*D M Ingram*

D M Ingram FCA - Secretary

The notes on pages 8 to 17 form part of these financial statements.

**THE HARRIS CHARITY**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 5 APRIL 2020**

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**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 United Kingdom and Republic of Ireland (FRS 102) issued in October 2019, the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

In law, unincorporated charities are required to prepare their accounts in accordance with the Charities (Accounts and Reports) Regulations 2008, which are based on the Charities SORP 2005. However, this has been withdrawn, and replaced with The Charities SORP (FRS 102) but as yet the Charities (Accounts and Reports) Regulations 2008 have not been updated to be based on The Charities SORP (FRS 102). In order to show a true and fair view the accounts have departed from the Charities (Accounts and Reports) Regulations 2008, and are prepared in accordance with The Charities SORP (FRS 102), as this is now U.K. Generally Accepted Accounting Practice.

The charity has taken advantage of the exemption available from preparing a cash flow statement in accordance with the Charities SORP as a small charity.

The financial statements have been prepared 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.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**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 Covid -19 will have some impact in the short term, but they continue to take a long term view and will monitor the position of investments in conjunction with the investment advisors.

**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.

**THE HARRIS CHARITY**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2020**

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**1 Accounting policies (continued)**

The entitlement to legacies is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate and the criteria for income recognition has not been met, then the legacy is treated as a contingent asset and disclosed if material. Where a gift is in the form of an asset other than cash or a financial asset traded on an acknowledged stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

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

**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 approved are only accounted for when they are paid. Grants which have been awarded but not paid at the year end are noted as a commitment.

**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.

**Financial instruments**

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

**Basic financial assets**

Basic financial assets, which include loans, debtors and cash and bank balances, are measured at transaction price including transaction costs.

**Other financial assets**

All the charity's financial assets fall to be classed as basic financial assets and the charity therefore has no other financial assets.

**THE HARRIS CHARITY**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2020**

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**1 Accounting policies (continued)**

**Impairment of financial assets**

Financial assets, other than those held at fair value through statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of financial activities.

**Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

**Classification of financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

**Basic financial liabilities**

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**Other financial liabilities**

All the charity's financial liabilities fall to be classed as basic financial liabilities and the charity therefore has no other financial liabilities.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**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.

# THE HARRIS CHARITY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

### 1 Accounting policies (continued)

#### 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.

### 2 Investment income

	2020 £	2019 £
<b>Listed on the UK Stock Exchange</b>		
Fixed interest and index linked	9,612	13,270
Equities	105,609	110,564
Property funds	2,918	4,380
Hedge and structured investments	9,100	9,100
	<u>127,239</u>	<u>137,314</u>
<b>Monies at bank on Short term deposit</b>		
Bank reserve deposit account interest	210	128
	<u>127,449</u>	<u>137,442</u>

### 3 Charitable activities

#### Grants paid

	Preston Area £	Lancashire Area £	2020 Total £	2019 Total £
<b>Institutional</b>				
Charitable organisations	619	1,000	1,619	1,549
Educational	-	3,506	3,506	-
Recreational – scouts, youth clubs etc	3,499	17,114	20,613	23,000
Recreational – sports, playgroups etc	9,750	250	10,000	11,220
<b>Individuals</b>	<u>648</u>	<u>1,289</u>	<u>1,937</u>	<u>4,720</u>
	<u>14,516</u>	<u>23,159</u>	<u>37,675</u>	<u>40,489</u>

**THE HARRIS CHARITY**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2020**

**3 Charitable activities (continued)**

**Other expenditure**

Irrecoverable loans written off	-	1,300
	37,675	41,789

All grants are made in accordance with the objects of the charity.

**4 Support costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Secretarial fees	14,350	13,840
Information Commissioner's charges	40	40
Website and internet charges	132	1,776
Stationery	-	224
Sundry expenses	-	100
Governance costs (see analysis below)	5,224	4,994
	19,746	20,974

No remuneration or expenses have been paid to any of the trustees (2019:£Nil).

The charity had no employees during the year (2019:None).

**Governance costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accountancy fees	2,800	2,700
Independent Examiner fees	2,424	2,294
	5,224	4,994

**5 Fixed asset investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Movement in investments</b>		
Market value at 6 April 2019	3,803,307	3,629,448
Additions to investments at cost	406,264	476,412
Disposals at carrying value	(442,631)	(399,796)
Net investment gains/(losses) on revaluation	(724,170)	97,243
<b>Market value at 5 April 2020</b>	<b>3,042,770</b>	<b>3,803,307</b>

**THE HARRIS CHARITY**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2020**

**5 Fixed asset investments (continued)**

Net cash realised from investments sold in the year was £441,909 (2019:£400,015).

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
<b>Investments</b>	<b>Market Value £</b>	<b>Cost £</b>	<b>Market Value £</b>	<b>Cost £</b>
Fixed interest and index linked	441,958	454,461	407,097	400,050
Equities	2,451,125	2,713,702	3,138,661	2,671,184
Property funds	63,400	73,890	80,170	73,890
Hedge and structured investments	86,287	100,115	177,379	174,592
	<u>3,042,770</u>	<u>3,342,168</u>	<u>3,803,307</u>	<u>3,319,716</u>
Cash available for further investment Included in bank and short term deposits (Note 9)	<u>109,612</u>		<u>102,812</u>	
	3,152,382		3,906,119	
Less Accrued charges	<u>-</u>		<u>(5,782)</u>	
	<u>3,152,382</u>		<u>3,900,337</u>	

There were no investments greater than 5% of the endowment fund.

**6 Debtors**

	<b>2020 £</b>	<b>2019 £</b>
Accrued income	4,630	8,762
Income tax recoverable	<u>1,122</u>	<u>1,122</u>
	<u>5,752</u>	<u>9,884</u>

**7 Loans**

	<b>2020 £</b>	<b>2019 £</b>
Total outstanding	<u>13,925</u>	<u>14,050</u>
	<u>13,925</u>	<u>14,050</u>

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

**THE HARRIS CHARITY**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2020**

**8 Current asset investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Movement in investments</b>		
Acquisitions at cost	250,000	-
Investment losses on revaluation	(6,125)	-
<b>Market value at 5 April 2020</b>	<b>243,875</b>	<b>-</b>

	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Market</b>	<b>Cost</b>	<b>Market</b>	<b>Cost</b>
	<b>value</b>	<b>£</b>	<b>value</b>	<b>£</b>
	<b>£</b>		<b>£</b>	
<b>Investments</b>				
Short term money market fund	243,875	250,000	-	-
	<u>243,875</u>	<u>250,000</u>	<u>-</u>	<u>-</u>

**9 Cash at bank and on short term deposit**

	<b>Unrestricted</b>	<b>Endowment</b>	<b>2020</b>	<b>2019</b>
	<b>Fund</b>	<b>Fund</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>		
Bank current account	112,414	-	112,414	287,678
Bank reserve account	103,261	565	103,826	103,616
Brown Shipley	18,647	109,046	127,693	120,965
	<u>234,322</u>	<u>109,611</u>	<u>343,933</u>	<u>512,259</u>

**10 Creditors – amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accruals - Unrestricted fund	11,070	10,480
- Endowment fund	-	5,782
	<u>11,070</u>	<u>16,262</u>



# THE HARRIS CHARITY

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2020

#### 11 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 a restricted fund 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.

#### Movement in funds – current year

	At 6 Apr 2019 £	Incoming Resources £	Resources Expended £	Investment gains/ losses £	At 5 Apr 2020 £
Unrestricted fund	422,901	127,449	(57,421)	(6,125)	486,804
Endowment fund	3,900,337	-	(23,063)	(724,893)	3,152,381
	4,323,238	127,449	(80,484)	(731,018)	3,639,185

#### Movement in funds – previous year

	At 6 Apr 2018 £	Incoming Resources £	Resources Expended £	Investment gains/ (losses) £	At 5 Apr 2019 £
Unrestricted fund	348,222	137,442	(62,763)	-	422,901
Endowment fund	3,825,835	-	(22,960)	97,462	3,900,337
	4,174,057	137,442	(85,723)	97,462	4,323,238

#### 12 Monies available for grant purposes post 5 April 2020

	2020 £	2019 £
Balance on unrestricted funds	486,804	422,901
<b>Less</b> Grants approved but not paid (Note 14)	(60,733)	(20,483)
<b>Amount available</b>	426,071	402,418

**THE HARRIS CHARITY**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 5 APRIL 2020**

**13 Monies available for grant purposes post 5 April 2020**

	<b>Preston Area £</b>	<b>Lancashire Area £</b>	<b>2020 Total £</b>	<b>2019 Total £</b>
<b>Commitments</b>				
<b>Grants approved but not paid</b>				
<b>Institutional</b>				
Charitable organisations	6,250	10,898	17,148	6,549
Educational	-	1,386	1,386	2,000
Recreational – scouts, youth clubs etc	15,426	3,500	18,926	4,500
Recreational – sports, playgroups etc	16,400	5,000	21,400	6,180
<b>Individuals</b>	<u>1,000</u>	<u>873</u>	<u>1,873</u>	<u>1,254</u>
	<u>39,076</u>	<u>21,657</u>	<u>60,733</u>	<u>20,483</u>

All grants are made in accordance with the objects of the charity.

**14 Analysis of net assets between funds – current year**

	<b>Unrestricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds £</b>
Investments	-	3,042,770	3,042,770
Net current assets	<u>486,804</u>	<u>109,611</u>	<u>596,415</u>
	<u>486,804</u>	<u>3,152,381</u>	<u>3,639,185</u>

**Analysis of net assets between funds – previous year**

	<b>Unrestricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total Funds £</b>
Investments	-	3,803,307	3,803,307
Net current assets	<u>422,901</u>	<u>97,030</u>	<u>519,931</u>
	<u>422,901</u>	<u>3,900,337</u>	<u>4,323,238</u>

# THE HARRIS CHARITY

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 5 APRIL 2020

### 15 Realised gains/(losses) on disposal of investments

Investments	2019 Market Value £	Proceeds £	2020 Realised Gain/(Loss) £
Barclays Bank 7% Income Accrual	73,339	72,000	(1,339)
BNY Mellon Global Higher Income Fund	40,900	39,735	(1,165)
Centrica Ords	6,500	6,567	67
Halma Ords	34,142	37,770	3,628
Headlam Ords	14,580	13,908	(672)
ITV Ords	24,871	20,217	(4,654)
Johnson Matthey Ords	43,287	44,923	1,636
JP Morgan European Investment Trust Ords	89,400	91,800	2,400
Lion Trust Special Situations Fund	-	484	484
M & G Corporate Bond Fund	42,489	41,691	(798)
Next Ords	28,310	28,560	250
Prudential Ords	7,651	8,314	663
Rolls Royce Ords	229	381	152
Unilever Ords	15,941	15,001	(940)
Wells Fargo Ords	20,993	20,558	(435)
	442,632	441,909	(723)

### 16 Related party transactions

Fees of £17,150 (2019:£16,540) 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 £8,670 (2019:£8,200).

Mr P R Metcalf is a trustee of the charities, Preston Relief in Need and the Guild Initiative for Furniture Trust (Gift92), to which the Harris Charity made grants during the year of £459 (2019:£1,556) and £560 (2019:£Nil), respectively.

### 17 Exceptional item

The Statement of Financial Activities (SOFA) on page 6 and note 5 to the financial statements on page 12 both refer to net investment losses on revaluation of £724,170. This item is exceptional in its size and incidence and is a consequence of the fall in the value of the charity's portfolio of shares and investments as at 5 April 2020, following the fall in worldwide markets leading on from the ongoing Covid -19 pandemic.

Since the year end, financial markets and the value of the investment portfolio have continued to fluctuate and at the end of October 2020 a small recovery of around 3% was noted.

The ability of the charity to meet its grant making objectives is, to a large degree, dependent on dividends and investment income from its portfolio. The trustees in conjunction with their investment advisors, anticipate a reduction in investment income in the forthcoming financial year. If, and the extent, to which dividends recover and over what time period, remains uncertain. However, based on current applications and the balance of income in unrestricted funds, the trustees anticipate that the charity will have sufficient income to meet all of its financial obligations and grant making objectives for at least the next twelve months.