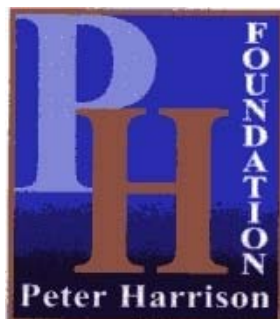


The Peter Harrison Foundation

Report and Financial Statements

Year Ended

31 May 2008



THE PETER HARRISON FOUNDATION

Annual report and financial statements for the year ended 31 May 2008

Contents

Page:

1	Report of the trustees
8	Report of the independent auditors
9	Statement of financial activities
10	Balance sheet
11	Notes forming part of the financial statements

Trustees

P R Harrison F.C.A. (Chairman)
J E Harrison
J C Harrison-Lee LL.B
P J G Lee LL.B

Director

J Ledlie CB OBE

Principal Office

2nd Floor, Foundation House, 42-48 London Road, Reigate, Surrey, RH2 9QQ

Bankers

HSBC Private Bank (UK) Ltd, 78 St James's Street, London SW1A 1JB
Cater Allen Private Bank, 9 Nelson Street, Bradford BD1 5AN
Bank of Scotland, Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ

Auditors

Kingston Smith LLP, Surrey House, 36-44 High Street, Redhill, Surrey, RH1 1RH

Solicitors

Withers, 16 Old Bailey, London, EC4M 7EG

Charity registration number

1076579

THE PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2008

The Trustees of the Peter Harrison Foundation present their report together with the accounts for the year ended 31 May 2008.

1. Structure, governance and management

The Foundation was established by Trust Deed on 29 April 1999 with an original capital gift of £1,000 as the initial Capital fund. A donation from the Founder of £386,401 was credited to Unrestricted Income funds in the financial period to 31 May 2000.

During the year to 31 May 2001, the Foundation was gifted £30,000,000 of loan notes on 10 October 2000 by the Peter Harrison family settlements. These gifts have been added to the original capital endowment fund, for investment and generation of income for annual distribution. The Trustees encashed the loan notes on 15 April 2001 and have invested the proceeds mainly on short-term bank deposits and fixed asset investments. Investment strategy reports have been received from two advisors and their proposals are being considered.

During the year to 31 May 2002 a further endowment of £590,417 was gifted by the Peter Harrison family settlements, which has been credited to the expendable Capital endowment fund.

The original capital endowment gift fund may be distributed at the Trustees discretion, but the current policy is to retain the Capital Fund and create the maximum Income Fund generation, for distribution in each year.

The Foundation's general investment and charitable grant strategy is to use the income generated from the endowments, after administrative costs, to distribute fully the net income in each year.

Clause 4 of the Trust Deed dated 29 April 1999 states that future trustees must be appointed by resolution of the Trustees and every future trustee must sign a declaration of willingness to act as a trustee.

The Trustees meet at least three times a year when they review the operation of the Foundation and consider grant applications. The trustees delegate the day to day running of the Foundation to the Foundation Director who reports to the trustees. A small team of staff supports the Director and during the year there was one part-time Charity Administrator, one part-time Bookkeeper and one part-time Secretary.

2. Objectives and activities

Objects, aims and objectives

Under the terms of the Trust Deed, the objects of the Foundation are wide and provide that funds are "applied for such charitable institutions or such other objects which are charitable in accordance with the laws of England and Wales as the Trustees may in their absolute discretion select."

The Foundation aims to:

- help disabled people or disadvantaged children/young people, principally through sport and education;
- support charitable activities which are well planned and demonstrate a high level of community involvement;
- fund projects where their grant will make a substantial difference to the charity funded; and
- support projects that are likely to have a sustainable impact.

The Foundation's objectives do not change from year to year and these are to:

- maintain the capital fund at £30 million;
- maximise income;
- fully distribute the net income;
- investigate thoroughly all requests for grants;

to fund a variety of different projects that meet the Foundation's aims, thus providing help to a wide range of beneficiaries.

THE PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2008 (continued)

To achieve the stated aims and objectives, the Foundation makes grants of all sizes to registered UK charities working in these areas.

Programmes

The Foundation has four grant-making programmes:

a) Opportunities Through Sport

The trustees support sporting activities that provide opportunities for people who are disabled, or for disadvantaged children/ young people, to fulfil their potential and develop personal and life skills. Applications are accepted from charities throughout the United Kingdom.

b) Special Needs & Care for Children and Young People.

Applications are accepted from charities in the South East of England (excluding London).

c) Education

This programme supports education initiatives that are of particular interest to the Trustees. These include support towards schools seeking Specialist Schools status and the provision of bursary places for children from the Reigate and Redhill areas in Surrey to enable them to attend Reigate Grammar School. The trustees do not invite applications to this programme.

d) Trustees' Discretion

This programme supports projects of particular interest to the trustees that may fall outside the Foundation's main aims; such funding is still in accordance with the terms of the Trust Deed. The trustees do not invite applications to this programme.

Grant making policy

The Foundation only makes grants to registered UK charities and other similarly recognised organisations. The Foundation is listed in all the main directories and databases of grant-makers.

The Trustees have developed publicly available guidelines that set out the details of the grant-making programmes and the application process and this information can be found on the Foundation's website at www.peterharrisonfoundation.org.

The Foundation strongly encourages potential applicants to discuss their proposal with the Charity Administrator before submitting a full application. This policy was introduced with the intention of reducing the administrative burden placed on charities by the application process. All outline projects that meet the funding criteria are assessed by the Director and the Charity Administrator. The Director then undertakes a full review by site visit when considering the more substantial grant applications; smaller applications are assessed by the Director on the telephone. Full applications should only be submitted after the proposal has been discussed with the Foundation Director. The Director prepares reports on all projects for consideration by the trustees and grants are approved by the trustees.

Ongoing projects are monitored on a regular basis and applicants are asked to submit a report on completed projects.

THE PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2008 (continued)

3. Achievements and performance

Opportunities Through Sport, £714,439

Grants were made to 21 trusts, foundations and other charities throughout the UK, primarily in the field of disability sport.

The principal awards were:

A grant of £150,000 to Loughborough University, the fourth year of funding for the Peter Harrison Centre for Disability Sport.

Two grants totalling £118,000 to the United Kingdom Sailing Academy to support the GBR Yacht Racing Academy, which assists young people from all walks of life in their personal growth and development through yacht racing.

A grant of £70,000 to the Spinal Injuries Association to support their 'Rebuilding Lives through Sport' programme and their 'Family Matters' programme.

A grant of £53,261 to The Ahoy Centre to complete the purchase of a catamaran for disabled sailing.

Two grants totalling £50,211 were made to The Prince's Trust for the 2007 and 2008 'Get Into Maritime' programmes for young people on the Isle of Wight, with a view to their accessing employment in the marine industries.

A grant of £50,000 to The Cricket Foundation's 'Chance to Shine' programme to support and promote the development of cricket in state schools.

Special Needs & Care for Children and Young People, £617,600

Grants were made to 14 charities. The principal awards were:

A grant of £250,000 to The Children's Trust to help provide a new Brain Injury Centre at the Trust.

A grant of £50,000 to The Elizabeth Foundation for the 'Raise the Roof' development project. This grant will contribute to the expansion of a centre which will provide educational, audiological and support services for babies and pre-school children who are deaf or hard of hearing.

A grant of £50,000 to The Meath Epilepsy Trust for The Westbrook Appeal. This grant will provide for a bedroom in their new residential centre.

A grant of £45,000 to the Medical Engineering Resource Unit. This grant will help the charity continue its work designing and manufacturing custom-made equipment for children and young people with severe disabilities in Surrey, Sussex and Kent.

A grant of £36,126 to Lifelites. This grant will contribute to the provision of Information Technology equipment for children with life threatening or terminal illnesses.

THE PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2008 (continued)

Opportunities Through Education, £201,307

Three further bursaries totalling £98,932, commencing in September 2008, together with other assistance of £2,375, were granted to deserving pupils at Reigate Grammar School.

Sponsorship, totalling £100,000, has been offered to the following 7 schools to help them to be able to apply for Specialist School status:

Hamond's High School - Swaffham - (English, History & Geography) - £20,000

St. Bede's School – Redhill - (Music with Information Technology) - £15,000

Werneth School - Stockport - (Arts – dramatic, creative and expressive) - £15,000

Hayward School – Bolton - (Languages) - £15,000

Charles Burrell High School – Thetford - (English, Drama and History) - £12,500

Rosemary Musker High School – Thetford - (Modern Languages and Design & Technology) - £12,500

Rumworth School – Bolton - (Communication and Interaction) - £10,000

Trustees' Discretionary Programme :

Unrestricted Income Fund	£250,264
Restricted Income Fund	£350,000
Expendable Capital Endowment Fund	<u>£500,000</u>
	£1,100,264

18 grants were made to a variety of charities and clubs. The principal awards were:

A grant of £75,000 was made to The Royal Ballet School for the redevelopment of the library at White Lodge, Richmond Park.

A grant of £50,000 to The Prince of Wales Arts & Kids Foundation to help inspire children in the North West of England through the arts.

A grant of £50,000 to Reigate Methodist Church to help the church to take forward the construction of a new Reigate community centre.

A grant of £27,500 to Almeida Theatre Company Limited to enable disabled children in Islington to become involved with drama and the theatre.

A grant of £12,250 to the Victoria and Albert Museum's Appeal for the Sackler Centre for Arts Education. The centre will provide purpose-built learning spaces allowing for large groups of adults and children to engage in projects and discussion. This grant is a contribution to the construction of Studio 3 in the Centre.

A grant of £11,197 to The Stockport Canal Boat Trust for the refurbishment of the Trust's canal boat for disabled people.

Old Reigatians Rugby Football Club was awarded £850,000 for the construction of a replacement club house. This grant was funded £350,000 from Restricted Income and £500,000 from the Expendable Capital Endowment Fund.

THE PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2008 (continued)

The Trustees believe that, taken together, these grants meet the objective of benefiting as varied a cross-section of the community as possible in the various grant-making fields. The Trustees will continue to look for a wide variety of projects that enable those with disabilities or who are otherwise excluded to achieve their full potential.

4. Future plans

As regards the future, the Trustees intend to use the income of the Foundation to benefit a wide range of charitable causes of particular interest to them. Grants will continue to be made in the Foundation's four programmes; in deciding on these grants, Trustees will continue to favour projects (both capital and revenue) where support from the Foundation will make a substantial difference in improving the quality of life for people who, for no reason of their own, are experiencing particular disability or disadvantage. Potential projects in the Opportunities Through Sport programme will continue to be considered on a UK-wide basis; and recipients of grants will range from the Paralympics level to programmes of benefit to local communities.

5. Financial review

(i) Total gross income

The total gross income for the year amounted to £2,345,257 (FY 2007 - £1,875,868).

The unrestricted income fund received interest and dividends from investments and cash deposits of £1,884,042 (FY 2007 - £1,593,568). There were other donations of 18,962 (FY 2007 - £1,199) and a Charities Aid Foundation distribution of ITV charitable funds of £55,135.

(ii) Charitable grants awarded

The Foundation received approximately 670 enquiries for funding during the year.

After due consideration and assessment the Trustees have awarded grants from the Income Funds, for the year of £2,125,859 (FY 2007 - £1,788,842).

(iii) Grant-making and governance support costs

Support costs relating to grant making are £126,839 (FY 2007 - £121,576) and support costs relating to governance costs for general running are £20,481, (FY 2007 - £23,214) and results in a total support cost for the year of £147,320 (FY 2007 - £144,790). When added to investment management costs of £6,881 the total operating overheads amounts to £154,201 (FY 2007 - £157,183) or 6.6% of Total Fund income for the financial year 2008 and 7.7% before additional donations from the Chairman (FY 2007 - 8.4% and 9.7%).

6. Reserves policy

The policy adopted by the Trustees is to retain the original capital endowment fund of £30,001,000, or its current net investment value, intact and to donate all of the annual unrestricted income received, net of operating overhead expenditure, and any investment value adjustment necessary to the carry forward balance at the year end.

The net surplus on Unrestricted Income Fund, after deducting charitable expenditure and expenses, is £28,079 (FY 2007 deficit (£101,108)). After adding the brought forward surplus of £11,698 the Balance Sheet shows a carry forward net income surplus of £39,777 (FY 2007 - £11,698).

A number of the Foundation's grants, provided and charged against the Unrestricted Income fund, are payable in future years. All unpaid amounts at the year end are carried forward in the Balance Sheet under creditors payable within one year. (See Note 4 Charitable grants)

THE PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2008 (continued)

7. Related party transactions

During the year the Foundation operated from the 2nd Floor, Foundation House, 42-48 London Road, Reigate, RH2 9QQ. The freehold building is owned by the P R Harrison 1997 “B” Settlement. An agreement has been made between the Foundation and the “B” Settlement that the costs associated with the occupation by the “B” Settlement and the Foundation of the shared office is 30% based on the space occupied by each entity and the number of staff employed.

Mr P R Harrison is Chairman of the Foundation and Beneficiary of the “B” Settlement.

In April 2003 an agreement was made between the Foundation and the P R Harrison “A” Settlement whereby the “A” Settlement supplies financial staffing to the Foundation. Mrs J Harrison –Lee is a beneficiary of the “A” Settlement.

8. Legal and administrative details

The Legal and Administrative Information set out after the title page forms part of the Report. The financial statements comply with current statutory requirements, the Trust Deed, and the Statement of Recommended Practice “Accounting and Reporting by Charities” SORP 2005. The Foundation is constituted under a Trust Deed dated 29 April 1999 and was registered as a charity in England and Wales on 15 July 1999 under registration number 1076579. The governing body is the Board of Trustees. The founders of the Foundation appoint trustees.

9. Risk management

The Trustees have examined the major strategic, business and operational risks involved in the Foundation’s activities and are satisfied that appropriate systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate these risks.

10. Statement of Trustees’ responsibilities

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Foundation’s financial activities during the year and of its financial position at the end of the year. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE PETER HARRISON FOUNDATION

Report of the trustees for the year ended 31 May 2008 (continued)

11. Auditors

Kingston Smith LLP have indicated their willingness to continue in office and it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Board

Peter Harrison
Chairman

..... **Date**

THE PETER HARRISON FOUNDATION

Report of the independent auditors to the trustees of The Peter Harrison Foundation

To the Trustees of The Peter Harrison Foundation

We have audited the financial statements of The Peter Harrison Foundation for the year ended 31 May 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and Auditors

The trustees' responsibilities 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) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law in respect of trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit option

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 May 2008 and of its incoming resources and application of resources, including the income and expenditure of the charity for the year then ended: and
- have been properly prepared in accordance with the Charities Act 1993.

Surrey House
36-44 High Street
Redhill
Surrey RH1 1RH

Kingston Smith LLP
Chartered Accountants
and Registered Auditors

Date:

THE PETER HARRISON FOUNDATION

**Statement of financial activities for the year ended 31 May 2008
Including an Income and Expenditure Account**

	Note	2008 Unrestricted Income Fund £	2008 Restricted Income Fund £	2008 Expendable Capital Endowment Fund £	2008 Total £	2007 Total £
Income resources from generated funds						
Donations received	2	74,097	350,000	-	424,097	251,199
Income from investments and cash deposits	3	1,884,042	-	37,118	1,921,160	1,624,669
Total incoming resources		<u>1,958,139</u>	<u>350,000</u>	<u>37,118</u>	<u>2,345,257</u>	<u>1,875,868</u>
Resources expended						
Charitable activities						
Income fund - grants	4a	1,775,859	350,000	-	2,125,859	1,788,842
- support costs	5	126,839	-	-	126,839	121,576
Capital fund - grants	4b	-	-	500,000	500,000	-
		<u>1,902,698</u>	<u>350,000</u>	<u>500,000</u>	<u>2,752,698</u>	<u>1,910,418</u>
Investment management costs		6,881	-	-	6,881	12,393
Governance Costs	5	20,481	-	-	20,481	23,214
Total resources expended		<u>1,930,060</u>	<u>350,000</u>	<u>500,000</u>	<u>2,780,060</u>	<u>1,946,025</u>
Net (outgoing)/incoming funds for year		<u>28,079</u>	<u>-</u>	<u>(462,882)</u>	<u>(434,803)</u>	<u>(70,157)</u>
Realised gain on investment assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>
Net movement in funds		<u>28,079</u>	<u>-</u>	<u>(462,882)</u>	<u>(434,803)</u>	<u>(70,007)</u>
Total Unrestricted and Endowment Funds brought forward		<u>11,698</u>	<u>-</u>	<u>30,707,787</u>	<u>30,719,485</u>	<u>30,789,492</u>
Total Unrestricted and Endowment Funds carried forward		<u><u>39,777</u></u>	<u><u>-</u></u>	<u><u>30,244,905</u></u>	<u><u>30,284,682</u></u>	<u><u>30,719,485</u></u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of financial activities for the year.

The notes on pages 11 to 17 form part of these financial statements.

THE PETER HARRISON FOUNDATION

Balance Sheet at 31 May 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible fixed assets	9		1,717		2,776
Current assets					
Debtors, accrued income and prepayments	10	484,818		1,278,436	
Cash at bank and in hand					
Cash and bank balances		1,245,939		1,037,768	
Short term deposits		31,642,621		31,337,943	
		<u>33,373,378</u>		<u>33,654,147</u>	
Creditors: amounts falling due within one year					
Charitable grants awarded and committed, not yet distributed	4/11a	(3,077,369)		(2,925,260)	
Other creditors	11b	(13,044)		(12,178)	
		<u>(3,090,413)</u>		<u>(2,937,438)</u>	
Net Current assets			<u>30,282,965</u>		<u>30,716,709</u>
Total Net Assets			<u><u>30,284,682</u></u>		<u><u>30,719,485</u></u>
Represented by:					
Capital Funds					
Capital fund	12a	30,001,000		30,001,000	
Expendable endowment gift	12a	243,905		706,787	
		<u>30,244,905</u>		<u>30,707,787</u>	
Income fund					
Unrestricted Income fund	12b		39,777		11,698
			<u>39,777</u>		<u>11,698</u>
Total Net Capital and Income funds			<u><u>30,284,682</u></u>		<u><u>30,719,485</u></u>

The notes on pages 11 to 17 form part of these financial statements.

These financial statements were reviewed and approved by the Board of Trustees, on

2008.

P R Harrison FCA
Chairman

P J G Lee LLB
Trustee

THE PETER HARRISON FOUNDATION

Notes forming part of the financial statements for the year ended 31 May 2008

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards, and the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued by the Accounting Standards Board in October 2005 ("SORP 2005"). The following principal accounting policies have been applied:

Incoming resources

Income is accounted for gross in the period in which the Foundation is entitled to receipt.

Resources expended

All expenditure is included on an accruals basis.

Support costs comprise costs for processing grant applications, including support to actual and potential applicants and governance costs for running the charity itself as an organisation. Where costs cannot be directly attributed to either of these categories it is estimated, based on activity levels, that 91% of other costs are attributable to grant making costs with the balance to governance.

Charitable Grants charged in the year are as follows:

- (a) Awarded by the Trustees, and all contractual conditions met in the year.
- (b) Awarded by the Trustees in the previous year for which the contractual terms have been met in the current year.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer and office equipment	-	25% straight line
Office fixtures and furnishings	-	15% straight line

Donated assets are included at the donor's cost.

Expendable endowment funds

Where funds are given to be held as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion of capital to income under certain circumstances.

Of the endowment funds, £243,905 is restricted to expenditure subject to the donor's approval.

THE PETER HARRISON FOUNDATION

Notes forming part of the financial statements for the year ended 31 May 2008 (*continued*)

2 Endowment and donations received

	2008 £	2007 £
Donation from Peter Harrison to fund a grant to the Old Reigatians Rugby Football Club	350,000	-
CAF – ITV charitable donation	55,135	-
Other donations	18,962	1,199
Donation from Peter Harrison to fund a grant to the National Maritime Museum	-	250,000
	<u>424,097</u>	<u>251,199</u>

3 Income from investments and cash deposits

	2008 £	2007 £
Interest receivable gross from bank deposits and other deposit accounts:		
Unrestricted Income Fund	1,884,042	1,593,568
Expendable Capital Endowment Fund	37,118	31,101
	<u>1,921,160</u>	<u>1,624,669</u>

4 Charitable grants

		2008 £	2007 £
Unrestricted income fund	4a	1,775,859	1,538,842
Restricted income fund	4a	350,000	250,000
		<u>2,125,859</u>	<u>1,788,842</u>
Expendable capital endowment fund	4b	500,000	-
		<u>2,625,859</u>	<u>1,788,842</u>

THE PETER HARRISON FOUNDATION

Notes forming part of the financial statements for the year ended 31 May 2008 (*continued*)

4a) Unrestricted Income Fund	2008	2007
Reconciliation of grants provided or reserved:	£	£
Grants contracted for in current year:		
Opportunities through Sport	714,439	852,568
Special Needs and Care for Children and Young People	617,600	401,467
Opportunities through Education	201,307	149,679
Trustees' Discretion - Unrestricted income fund	250,264	135,128
- Restricted income fund	350,000	250,000
	<u>2,133,610</u>	<u>1,788,842</u>
<u>Total grants awarded</u>	2,133,610	1,788,842
Less grants awarded in previous years not taken up	(7,751)	-
	<u>2,125,859</u>	<u>1,788,842</u>
Grants payable in year	2,125,859	1,788,842
Support costs for grant making	126,839	121,576
	<u>2,252,698</u>	<u>1,910,418</u>
Charitable activities	2,252,698	1,910,418
Add grants awarded and contracted in previous year but not yet paid at year end	2,925,260	3,374,877
	<u>5,177,958</u>	<u>5,285,295</u>
Grants and support costs paid during the year	(2,600,589)	(2,360,035)
	<u>2,577,369</u>	<u>2,925,260</u>
Grants provided and contracted for but not paid at 31 st May 2008	<u>2,577,369</u>	<u>2,925,260</u>
4b) Expendable Capital Endowment Fund	2008	2007
	£	£
Grant contracted for in current year but not paid at 31 May 2008		
Trustees Discretion	500,000	-
	<u>500,000</u>	<u>-</u>

A detailed list of grants awarded is given in Appendix 1 attached to these financial statements.

Commitments: In addition to the amounts committed and accrued noted above, the Trustees also occasionally authorise certain grants that are subject to the recipient fulfilling certain conditions. The total amount authorised but not accrued at 31 May 2008 was £nil (FY 2007 £Nil).

THE PETER HARRISON FOUNDATION

Notes forming part of the financial statements for the year ended 31 May 2008 (*continued*)

5 Support costs for grant-making and governance

	Grant-making Costs £	Governance Costs £	Total 2008 £	Total 2007 £
Staff costs				
Staff remuneration, employers NI, training and recruitment	76,820	6,563	83,383	78,142
Professional fees				
Audit fees	-	9,137	9,137	7,773
Professional fees	1,675	-	1,675	494
	<u>1,675</u>	<u>9,137</u>	<u>10,812</u>	<u>8,267</u>
Premises costs				
Rent	16,834	1,666	18,500	21,679
Premises management	5,071	501	5,572	5,373
Rates	6,453	638	7,091	7,643
	<u>28,358</u>	<u>2,805</u>	<u>31,163</u>	<u>34,695</u>
Office costs	<u>19,022</u>	<u>1,881</u>	<u>20,903</u>	<u>22,410</u>
Depreciation	964	95	1,059	1,276
	<u>126,839</u>	<u>20,481</u>	<u>147,320</u>	<u>144,790</u>

6 Trustee remuneration

No Trustee received any remuneration or was reimbursed for expenses incurred on the activities of the Foundation.

7 Net outgoing resources

The net outgoing resources of the Unrestricted Fund are stated after charging the following items:

	2008 £	2007 £
Depreciation	1,059	1,276
Gross salaries	71,626	71,212
Employers national insurance	6,970	6,705
Audit fee	9,137	6,000
Professional fees	8,556	13,008
	<u>97,348</u>	<u>108,201</u>

THE PETER HARRISON FOUNDATION

Notes forming part of the financial statements for the year ended 31 May 2008 (continued)

8 Staff numbers and costs

The average number of persons employed by the Foundation during the year was 4 (2007:4).
The aggregate payroll costs of these persons were as follows:

	2008	2007
	£	£
Wages and salaries	71,626	71,212
Social security costs	6,970	6,705
	<u>78,596</u>	<u>77,917</u>

No employee's emoluments exceeded £60,000 for the year.

9 Tangible fixed assets

	Office fixtures and furnishings	Computer and office equipment	Total
	£	£	£
<i>Cost</i>			
At 1 June 2007	26,614	33,043	59,657
Additions	-	-	-
Disposals	-	-	-
At 31 May 2008	<u>26,614</u>	<u>33,043</u>	<u>59,657</u>
<i>Depreciation</i>			
At 1 June 2007	24,893	31,988	56,881
Provided for the year	601	458	1,059
At 31 May 2008	<u>25,494</u>	<u>32,446</u>	<u>57,940</u>
<i>Net book value</i>			
At 31 May 2008	<u>1,120</u>	<u>597</u>	<u>1,717</u>
At 31 May 2007	<u>1,721</u>	<u>1,055</u>	<u>2,776</u>

10 Debtors, accrued income and prepayments

	2008	2007
	£	£
Accrued interest receivable – gross	112,632	21,621
Additional donations receivable from Peter Harrison	350,000	1,250,000
Other debtors and prepayments	22,186	6,815
	<u>484,818</u>	<u>1,278,436</u>

THE PETER HARRISON FOUNDATION

Notes forming part of the financial statements for the year ended 31 May 2008 (*continued*)

11 Creditors: amounts falling due within one year

11a Charitable grants awarded, not yet distributed

	2008	2007
	£	£
Grants approved and contracted, payable in subsequent year (note 4):		
Unrestricted income fund	2,577,369	2,925,260
Expendable capital endowment fund	500,000	-
	<u>3,077,369</u>	<u>2,925,260</u>

11b Other creditors

	2008	2007
	£	£
Trade creditors	2,075	2,800
Other taxes and social security costs	2,387	2,378
Other creditors and accruals	8,582	7,000
	<u>13,044</u>	<u>12,178</u>

12 Analysis of charitable funds

	At 1 June 2007	Incoming resources	Resources expended	At 31 May 2008
	£	£	£	£
12a Capital Fund				
Original endowment gift	30,001,000	-	-	30,001,000
Further Expendable Endowment gift	706,787	37,118	(500,000)	243,905
12b Income Fund				
Unrestricted funds	11,698	1,958,139	(1,930,060)	39,777
Restricted funds	-	350,000	(350,000)	-
	<u>30,719,485</u>	<u>2,345,257</u>	<u>(2,780,060)</u>	<u>30,284,682</u>

Note:

The original endowment gift capital may be distributed at the Trustees discretion, but the current policy is to retain the Capital Fund and create the maximum Income Fund generation for grant distribution in each year.

The further expendable endowment gifts are those where the trust terms provide for conversion of capital to income under certain circumstances.

THE PETER HARRISON FOUNDATION

Notes forming part of the financial statements for the year ended 31 May 2008 (*continued*)

13 Analysis of net assets between funds

	Original Endowment Fund £	Expendable Endowment Fund £	Unrestricted Income Fund £	Restricted Income Fund £	Total Funds £
Fixed assets	-	-	1,717	-	1,717
Current assets	30,001,000	243,905	2,778,473	350,000	33,373,378
Current liabilities	-	-	(2,740,413)	(350,000)	(3,090,413)
	<u>30,001,000</u>	<u>243,905</u>	<u>39,777</u>	<u>-</u>	<u>30,284,682</u>

14 Related party transactions

During the year the Foundation made two grants to the UK Sailing Academy totalling £118,000. In addition, during 2006, Peter Harrison personally donated the use of his sailing boat Chernikeeff 11 to the UK Sailing Academy on the Isle of Wight for a period of up to three years during which time it is expected to depreciate by £250,000.

During the year a grant of £850,000 was approved to the Old Reigatians Rugby Football Club for construction of a replacement club house. Part of the grant was made possible by a donation from Peter Harrison of £350,000 to the Foundation. The remaining £500,000 was made from the expendable capital endowment fund. Peter Harrison is the Honorary President of the Old Reigatians Rugby Football Club.

During the year the Foundation operated from the 2nd Floor, Foundation House, 42-48 London Road, Reigate, RH2 9QQ under a rent-free terminable agreement. The freehold building is owned by the P R Harrison 1997 "B" Settlement. This has been valued at a £18,500 saving per annum in rent to the Foundation.

An agreement has been made between the Foundation and the "B" Settlement that the occupation by the "B" Settlement and the Foundation of the shared office is based on the space occupied by each entity and the number of staff employed.

During the year the Foundation was charged, under this agreement £5,572 for service charges for Foundation House, £7,091 for rates and £649 for insurance (all figures include VAT). At 31 May 2008 £1,683 was owed to the "B" Settlement and was paid shortly thereafter.

Mr P R Harrison is Chairman of the Foundation and Beneficiary of the "B" Settlement.

In April 2003 an agreement was made between the Foundation and the P R Harrison "A" Settlement whereby the "A" Settlement supplies financial staffing to the Foundation. During the year under review the Foundation was charged, under this agreement, £6,563 (FY 2007: £5,587). At 31 May 2008 £ nil was owed to the "A" Settlement.

Mrs J Harrison –Lee is a beneficiary of the "A" Settlement.

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

TOTAL GRANTS AWARDED FOR 2007/08

Income Fund

	£
Opportunities Through Sport	714,439
Special Needs and Care for Children and Young People	617,600
Opportunities Through Education	201,307
Trustees Discretion	600,264
	<hr/>
Total Grants Awarded	2,133,610
Less grants awarded in previous years not taken up	(7,751)
	<hr/>
Grants awarded from Income Fund	£2,125,859
	<hr/> <hr/>

Capital Fund

Grants awarded from Expendable Capital Endowment Fund - Trustees Discretion	£500,000
	<hr/> <hr/>

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

OPPORTUNITIES THROUGH SPORT					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
British Polio Fellowship	National Indoor Games: 2009 - 11.	South Ruislip London	National	15,000	3 years
Cornwall Disability Arts Group	To provide sports equipment for disabled people in rural Cornwall for sporting activities.	Penzance Cornwall	South West	2,000	1 year
Erb's Palsy Group	Family Sports Day. To support the archery, indoor climbing and trampolining activities for disabled children and their siblings.	Darlington County Durham	North East	5,000	1 year
Henshaws Society for Blind People	Swimming pool development project. To upgrade the swimming pool at Henshaws College so that it can operate as a hydrotherapy pool.	Harrogate Yorkshire	Yorkshire & The Humber	30,817	1 year
Jubilee Sailing Trust	Maintenance of Lord Nelson sailing ship, replacement of deckhouse roof.	Southampton Hampshire	South East	30,000	1 year
Life Cycle UK	Two's Company - tandem riding for blind/visually impaired people. To contribute to the annual running costs.	Bristol Gloucestershire	South West	3,000	3 years
Loughborough University	Operational funding for the Centre for Disability Sport - Year 4 of 5.	Loughborough Leicestershire	National	150,000	5 years
Loughborough University	1 Year additional funding for Sports Scholarship.	Loughborough Leicestershire	East Midlands	3,000	1 year
Rebounders Special Needs Trampoline Club	Acquisition of a dedicated trampolining centre.	Cardiff South Wales	Wales	17,000	1 year
Royal School for the Deaf & Communication Disorders	To support the continuation and development of the children's able and disabled sports programme.	Cheadlehume Cheshire	North West	42,500	1 year

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

OPPORTUNITIES THROUGH SPORT					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
Spinal Injuries Association	To support their 'Rebuilding Lives through Sport' and 'Family Matters' programme.	Milton Keynes Buckinghamshire	National	70,000	2 years
The Ahoy Centre	Sailing for All - the purchase of a catamaran for disabled sailing. To enable completion of the project.	London	London	53,261	1 year
The Cricket Foundation	Chance to Shine' programme. To support and promote cricket development in state schools.	London	National	50,000	1 year
The Panathlon Foundation Limited	Sponsorship of London Panathlon Challenge. To enable the challenge to continue and expand.	Brentwood Essex	London	30,000	3 years
The Prince's Trust	Get into Maritime' bursaries (brought forward from 2006/07 - balance of 560/824).	London	South East	10,211	1 year
The Prince's Trust	Get into Maritime' bursaries 2008.	London	South East	40,000	1 year
The Trinity Sailing Trust	Purchase and refit of additional vessel: Spirit of Britannia.	Brixham Devon	South West	20,000	1 year
Thomley Hall Centre Ltd	Provision of cycle track for young people.	Worminghall Buckinghamshire	South East	9,650	1 year
United Kingsom Sailing Academy	Development of young people through yacht racing.	Cowes Isle of Wight	South East	93,000	1 year
United Kingsom Sailing Academy	Development of young people through yacht racing.	Cowes Isle of Wight	South East	25,000	1 year
Vitalise	Climbing Wall for Churchtown. To rebuild the climbing wall for disabled people.	Churchtown Cornwall	South West	15,000	1 year
(21 AWARDS)			TOTAL:	£714,439	

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

SPECIAL NEEDS AND CARE FOR CHILDREN AND YOUNG PEOPLE					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
Aidis Trust	Disability ICT Training for community disability groups in SE of England. To enable the courses to take place.	London	South East	22,500	3 years
Childrens Hope Foundation	Assistance to Disabled Children in Surrey. To provide equipment and/or facilities to severely disabled or life-threatened children.	Surrey	South East	12,500	1 year
Karers 4 Kidz	Promote and advance the well-being of disabled children in the Hillingdom area. To enable their playground to be modernised.	London	South East	30,000	1 year
Lifelites	To contribute to the provision of IT equipment for children with life threatening or terminal illnesses specifically in Rainbow House.	Great Bookham Surrey	South East	36,126	3 years
Medical Engineering Resource Unit (MERU)	To design and manufacture custom-made equipment for children/young people with severe disabilities in Surrey, Sussex and Kent. To help the charity continue its activities.	Surrey	South East	45,000	3 years
Moor House School	The completion of an outdoor education area at a mixed residential special school for children with serious speech impairments.	Oxted Surrey	South East	12,019	1 year
The Burned Children's Club	Summer Camps. To support a summer camp at Grafham Water Centre to provide sporting and recreational opportunities for young burns survivors.	Grafham Cambridgeshire	East	22,500	3 years

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

SPECIAL NEEDS AND CARE FOR CHILDREN AND YOUNG PEOPLE					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
The Children's Trust	To help provide a new Brain Injury Centre at the Trust.	Tadworth Surrey	South East	250,000	1 year
The Elizabeth Foundation	Raise the Roof development project. To contribute to the expansion of the centre which will provide educational, audiological and support services for babies and pre-school children who are deaf or hard of hearing.	Portsmouth Hampshire	South East	50,000	1 year
The Lodge Hill Trust	Tunnelling Project. To enable the tunnelling system to be built within the residential activity centre.	Pulborough West Sussex	South East	30,666	1 year
The Meath Epilepsy Trust	The Westbrook Appeal. To provide a bedroom in the new residential centre.	Godalming Surrey	South East	50,000	1 year
The Queen Alexandra Hospital Home	Physiotherapy Service. To enable a second senior physiotherapist to work full time with disabled ex-service personnel.	Worthing West Sussex	South East	20,789	1 year
Walton Firs Foundation	Acquisition of Walton Firs Activity Centre. To enable the purchase of the activity centre for young people.	Cobham Surrey	South East	25,000	1 year
Yvonne Arnaud Theatre Management	Discover Drama. To provide workshops for disabled young people.	Guildford Surrey	South East	10,500	3 years
(14 AWARDS)			TOTAL:	£617,600	

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

OPPORTUNITIES THROUGH EDUCATION - SPECIALIST SCHOOLS & EDUCATION					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
Charles Burrell High School	Specialist School (English, Drama and History)	Thetford Norfolk	East	12,500	1 year
Hamond's High School	Specialist School (English, History and Geography)	Swaffham Norfolk	East	20,000	1 year
Hayward School	Specialist School (Languages) [via SSAT 2007/08]	Bolton Lancashire	North West	15,000	1 year
Rosemary Musker High School	Specialist School (Modern Languages and Design & Technology)	Thetford Norfolk	East	12,500	1 year
Rumworth School	Specialist School (Communication and Interaction) [via SSAT 2007/08]	Bolton Lancashire	North West	10,000	1 year
St Bede's School	Specialist School (Music with Information Technology) [via SSAT 2007/08]	Redhill Surrey	South East	15,000	1 year
Werneth School	Specialist School (Arts - dramatic, creative and expressive) [via SSAT 2007/08]	Stockport Manchester	North West	15,000	1 year
(7 AWARDS)			TOTAL:	£100,000	

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

OPPORTUNITIES THROUGH EDUCATION - HARRISON SCHOLARS					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
Harrison Scholars 2002	A-level Biology Field Trip (June 2008) – Scholar No 10	Reigate Surrey	South East	100	1 year
Harrison Scholars 2004	GCSE Spanish Trip (July 2008) – Scholar No 19	Reigate Surrey	South East	165	1 year
Harrison Scholars	Amendments to Academic Year 2007/08 for prior year Bursary Awards	Reigate Surrey	South East	2,110	1 year
Harrison Scholars 2008	Bursary Award - Scholar No 27 – Reigate Grammar School	Reigate Surrey	South East	37,689	1 year
Harrison Scholars 2008	Bursary Award - Scholar No 28 – Reigate Grammar School	Reigate Surrey	South East	32,977	1 year
Harrison Scholars 2008	Bursary Award - Scholar No 29 – Reigate Grammar School	Reigate Surrey	South East	28,266	1 year
(6 AWARDS)			TOTAL:	£101,307	
			TOTAL PROGRAMME	TOTAL:	£201,307

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

TRUSTEES' DISCRETION					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
Almeida Theatre Company Limited	Almeida Projects. To enable disabled children to become involved with drama and the theatre.	London	London	27,500	3 years
British Heart Foundation	Sponsorship of London to Brighton Bike Ride for the Foundation House team at £100 per person who completes it.	London	National	700	1 year
Chase Children's Hospice Care for Children	Sponsorship for an individual to summit Mount Everest.	Guildford Surrey	South East	5,000	1 year
Greenhouse Schools Project Limited	Antarctic Ice Marathon - sponsorship of HSBC employee.	London	National	1,000	1 year
Independent Options (Stockport) Ltd	Children and Family Centre. To provide a roundabout for disabled children.	Stockport Cheshire	North West	7,017	1 year
Marie Curie Cancer Care	Skimmington Castle Bike Ride - Sponsorship.	London	National	100	1 year
Mayor's Charity Appeal (Reigate & Banstead Borough Council)	The Mayor's Charity Appeal 2007/08 (Variety Club and Orbit Shed).	Reigate Surrey	South East	5,000	1 year
Reigate Methodist Church	To help progress the construction of a new community centre in Reigate.	Reigate Surrey	South East	50,000	1 year
Right to Play Limited	Sponsorship via Marcel Desailly charity match played at Chelsea FC.	Guildford Surrey	South East	500	1 year
Royal National Lifeboat Institution	Donation (Black Horse Bike Ride).	Poole Dorset	National	1,000	1 year
Royal National Lifeboat Institution	Towards the cost of fundraising event.	Poole Dorset	National	3,000	1 year
Sargent Cancer Care for Children	Sponsorship via Marcel Desailly charity match played at Chelsea FC.	London	National	500	1 year
The Prince of Wales Arts & Kids Foundation	Inspiring Children through the Arts.	London	North West	50,000	1 year

**PETER HARRISON FOUNDATION
GRANTS AWARDED DURING YEAR ENDED 31 MAY 2008**

TRUSTEES' DISCRETION					
CHARITY	PURPOSE OF GRANT/PROJECT	TOWN/COUNTY	REGION	GRANT	
				£	TIMESCALE
The Royal Ballet School	White Lodge redevelopment - library. To redevelop the library and provide educational facilities.	Richmond Surrey	South East	75,000	1 year
The Royal British Legion	Poppy Calls - a new welfare system.	London	National	500	1 year
The Stockport Canal Boat Trust for Disabled People	Refurbishment of canal boat.	High Peak Derbyshire	North East	11,197	1 year
Victoria and Albert Museum	Construction of a studio area within a new arts centre.	London	National	12,250	1 year
(17 AWARDS)			TOTAL:	£250,264	
TRUSTEES' DISCRETION - RESTRICTED INCOME					
Old Reigatians Rugby Football Club	Construction of a replacement club house.	Reigate Surrey	South East	350,000	
			TOTAL:	£350,000	
TRUSTEES' DISCRETION - INCOME FUND			TOTAL:	£600,264	
TRUSTEES' DISCRETION - EXPENDABLE CAPITAL ENDOWMENT FUND					
Old Reigatians Rugby Football Club	Construction of a replacement club house.	Reigate Surrey	South East	500,000	
			TOTAL:	£500,000	