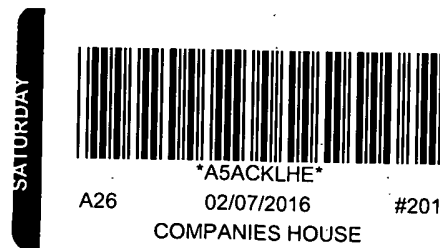


Harrison Housing
(a company limited by guarantee)

FINANCIAL STATEMENTS

For the year ended 31 December 2015



Company No. 4932686

Charity Commission No. 1101143

Homes & Communities Agency No. A4410

Almshouse Association No. M26

HARRISON HOUSING
(a company limited by guarantee)
FINANCIAL STATEMENTS
For the year ended 31 December 2015

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HARRISON HOUSING

(a company limited by guarantee)

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 December 2015

Reference and Administrative Information

Charity name:	Harrison Housing
Company No:	4932686
Charity Commission No:	1101143
Homes & Communities Agency No:	A4410
Almshouse Association No:	M26

Registered Office

46 St James's Gardens, London, W11 4RQ

Trustees

C H Senior	Chairman
N G A King QC	Vice-chairman
J Malpass FCA	Treasurer
M Le Fanu OBE	
Air Marshal I C Morrison CBE	
Mrs M R Gunther	
Mrs C R Knowles	
H Knowles ACA	
P Davies	(Appointed 8 December 2015)

Patron

The Right Hon Lord Scott of Foscote

Secretary

K Dowlath FCCA

Key Management Personnel

R Bernstein FCA	Chief Executive
K Dowlath FCCA	Finance Director

Additional members of the management team

J Linfoot	Housing Manager
A Kacinkevicius	Property Manager

Auditor

MHA MacIntyre Hudson, New Bridge Street House, 30-34 New Bridge Street, London, EC4V 6BJ

Bankers

The Royal Bank of Scotland, 78 Notting Hill Gate, London W11 3HS

Investment Managers

Investec Wealth & Investment, 2 Gresham Street, London, EC2V 7QP
M&G Investment, Chelmsford, CM99 2XF

Solicitors

Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH
Devonshires Solicitors, 30 Finsbury Circus, London EC2M 7DT

HARRISON HOUSING

(a company limited by guarantee)

REPORT OF THE TRUSTEES

For the year ended 31 December 2015

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 2015.

Company status

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.

Whicher and Kifford Almshouses, a registered charity and housing association in England, came under the control of Harrison Housing on 30 June 2012. On this date Harrison Housing and Harrison Housing Trustees Limited were appointed Corporate Trustees of Whicher and Kifford Almshouses. Effective 1 January 2015 Whicher and Kifford entered into a Uniting Direction with Harrison Housing and the accounts are presented on an aggregated basis.

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 7 and not more than 11 trustees. At present, the Board has 9 members from a variety of professional backgrounds relevant to the work of the charity and meets at least 4 times per year.

OPERATING AND FINANCIAL REVIEW

Objectives and Activities

The charity's objects and principal activities are the relief of the aged poor, in particular by the provision of housing and associated amenities, and other such charitable purposes as the trustees shall from time to time decide. The trustees have had regard for the Charity Commission's public benefit guidance when applying these objectives to decisions made about the charity.

The charity owns property in St James's Gardens and Minford Gardens in West London, Shakespeare Road and Stanley Close in South London, and Rousden Street in North London. These properties are divided into self-contained flats to provide sheltered accommodation. The larger sites have a scheme manager to provide support. The residents also benefit from fortnightly visits by volunteer visitors, some of whom are also trustees. There is an on-going programme of maintenance to ensure that the buildings are kept in good repair.

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

Trustees have paid due regard to the Charity Commission's guidance in ensuring that the aims and objectives of the charity are for the public benefit.

Harrison Housing

(a company limited by guarantee)

REPORT OF THE TRUSTEES

For the year ended 31 December 2015

Achievements and Performance

The charity was formed to take over the activities previously carried on by The Harrison Homes, an almshouse charity established in 1869. The transfer of activities was completed on 1 April 2004. This report covers the activities of Harrison Housing for the year ended 31 December 2015.

Sheltered housing

During the year, 92 residents were housed in 5 locations. The external and internal redecoration of Greenwoods in Rousden Street was carried out, as well as a full internal refurbishment of the communal areas at Minford Gardens. Routine repairs continued to be made in a timely fashion. A quinquennial review was carried out towards the end of 2015 with no major issues arising. The planned upgrading of kitchens and bathrooms at St James's Gardens and Minford Gardens has continued, as and when flats become vacant.

Our health and safety record remained excellent with no reportable incidents during 2015. Compliance and other procedures have been kept under review and improved where appropriate. Checks were undertaken on fire safety, electrical systems and water hygiene.

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 2015, these included Waltham Abbey Non-Educational Parochial Charities (11 units) and West Hackney Almshouse Charity (9 units). The company also provides management services to Butchers & Drovers Charitable Institution (12 units in Hounslow), St Giles-in-the-Fields Almshouses (8 units in Covent Garden) and Thrale Almshouse and Relief In Need Charity (until March 2015). Harrison Housing became the managing agent for The Christian Union Almshouses (12 units) in April 2015.

Voluntary services

It is recognised that all trustees are volunteers and give their time freely, without which the charity could not operate. Some of the trustees are also part of a group of 6 people, known as the visitors, who provide a confidential befriending service to all residents. The visitors also assist with various social activities and outings for residents throughout the year.

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, the latter assisted by membership of the West London Almshouse Group. 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.

Harrison Housing

(a company limited by guarantee)

REPORT OF THE TRUSTEES

For the year ended 31 December 2015

Financial Review

Income and expenditure

Weekly maintenance contributions for the year amounted to £885,324 (2014: £862,702), after deducting voids of £9,825 (2014: £7,685), equivalent to 1.0% (2014: 0.9%) of gross contributions. Excluding capitalised costs, a total of £244,850 (2014: £294,121) was spent on repairs and maintenance of buildings and equipment, equivalent to 27% (2014: 34%) of the total gross rental income.

Management of other schemes and other management services generated income of £84,418 (2014: £64,363). Voluntary income totalled £5,702 (2014: £17,548).

The charity's activities gave rise to an operating loss of £70,055 (2014: £1,389,471 operating profit).

The charity's cash balances and investments generated income of £100,212 (2014: £81,734). After accounting for the loss on sale of fixed asset £5,625 (2014: profit £1,305,179 from the sale of the property at Bovingdon Road), as well as the net loss on investment £23,264 (2014 gain £35,922), and taking into account the actuarial movement from restatement of the pension liability £65,649 (2014 £17,410) the result for the year was a net loss of £70,055, compared with a surplus of £1,389,471 recorded in the previous year.

Further information on the financial performance of the group and company is contained in the accompanying financial statements.

Investment policy

In 2015 the trustees took the decision to sell the majority of units held in the National Almshouse Association Common Investment Fund and invest the proceeds with Investec Wealth & Investment. 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 is to achieve long term capital growth and income on a total return basis of RPI + 2%. In 2015 the actual return was 2.1% against a benchmark of 3.69%.

Reserves policy

Designated reserves are maintained based on guidance issued by the Almshouse Association for the cyclical maintenance and repair of the properties. Following a review carried out during 2013, it was decided to increase transfers to the cyclical maintenance reserve above the standard Almshouse Association rates, reflecting higher costs identified from the long term strategic review. As the identified maintenance was of cyclical nature rather than extraordinary, the extraordinary reserve has been transferred into the cyclical reserve. Details of the designated reserves appear in the notes to the financial statements. The cyclical reserve will be expended over the cyclical maintenance cycle. The balance on unrestricted funds represents the surplus arising from disposals of properties at Newell Hall and Minford Gardens and sums of cash needed for immediate working purposes.

The trustees have chosen to respond to the Charities SORP 2015 directive to move the Social Housing Grant liability out of Net Assets by creating a Restricted Asset Reserve which incorporates the previous Fixed Asset reserve. This reserve reflects the net book value of fixed assets, less other restricted funds specifically related to fixed assets.

The trustees consider it prudent to retain free reserves equivalent to 12 month's expenditure, which is budgeted to reach £1.04 million in 2016. At this level continuity is ensured in case of a disaster which would reduce income for a period. General funds available to the company at the year-end amounted to £3.26 million, which exceeds the reserves policy. It is anticipated that the excess funds will be utilised to fund new development projects in the future.

Full details of transfers to and from reserves are shown in the notes to the financial statements.

Harrison Housing

(a company limited by guarantee)

REPORT OF THE TRUSTEES

For the year ended 31 December 2015

Plans for Future Periods

In 2016 the external and internal redecoration of the Howis Trust Property's in Brixton will be carried out. A number of residents' flats will be redecorated as part of the cyclical maintenance programme and, as noted above, the planned upgrading of kitchens and bathrooms at St James's Gardens and Minford Gardens will also continue.

There are plans to use existing funds to develop the charity's capital projects.

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. He is also responsible for supervising work of supporting staff and ensuring that the team continue to develop their skills and working practices in line with good practice.

Remuneration for key management personnel is reviewed annually at the first Finance Committee meeting of the year, along with proposed salary rates for all members of staff. The charity has a policy of benchmarking the salary rates for all members of staff to other, similar sized almshouses and housing associations.

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. A specialist director recruitment firm is being used to locate individuals with appropriate skills who are then approached to offer themselves for election to the Board.

Trustee Induction and Training

New trustees are invited to familiarise themselves with the charity and the context within which it operates. Briefing sessions jointly led by the Chairman 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.
- 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.

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 Trustees Limited, a registered company in England is a wholly owned subsidiary of Harrison Housing.

Harrison Housing

(a company limited by guarantee)

REPORT OF THE TRUSTEES

For the year ended 31 December 2015

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:

- Poor workmanship of contractors; this is mitigated by using approved contractors,
- Accidents and injuries in the workplace and to residents; mitigated by continual staff training in health & safety,
- Reliance on key individuals holding important information; mitigated by ensuring all information held is in a common drive and shared appropriately.

Procedures are also in place to ensure compliance with health and safety of staff, volunteers and residents. These procedures are periodically reviewed to ensure that they continue to meet the needs of the charity.

Internal controls

The trustees acknowledge their responsibility for the registered social landlord's system of internal controls, including internal financial controls. The system of controls cover 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:

- 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, but this has not been undertaken.

Harrison Housing

(a company limited by guarantee)

REPORT OF THE TRUSTEES

For the year ended 31 December 2015

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 Trustees' Report and the financial statements in accordance with applicable law and Charities SORP 2015.

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 charity will continue in business;
- state whether applicable 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.

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

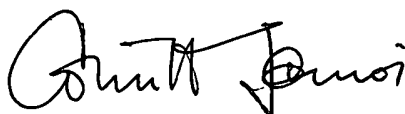
Members of the Board, who served during the year and up to the date of this report are set out on page 1.

Auditor

MHA MacIntyre Hudson are auditors.

Approved by the Board on 20th June 2016 and signed on its behalf by:

C H Senior
Chairman



Harrison Housing

(a company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT

To the members of Harrison Housing

We have audited the parent and group financial statements of Harrison Housing for the year ended 31 December 2015 (the "financial statements") on pages 9 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Board's Responsibilities Statement set out on page 7, the Trustees (who are also the directors of the 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. We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2015 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2013.

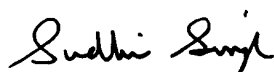
Opinion on other requirement of the Companies Act 2006

In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- the parent company has not kept adequate accounting records, or the returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report



Sudhir Singh (Senior Statutory Auditor)

For and on behalf of MHA MacIntyre Hudson

Chartered Accountants and Statutory Auditor

New Bridge Street House, 30 – 34 New Bridge Street, London, EC4V 6BT

Date: 28 June 2016

Harrison Housing

(a company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

For the year ended 31 December 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Company Total funds 2015 £	Group Total funds 2014 (as restated) £
INCOME FROM					
Donations & legacies		5,702		5,702	17,548
Charitable activities	3	931,165	57,966	989,131	946,555
Investments	9	99,449	763	100,212	81,734
Other (Loss) / Income	14	(5,625)		(5,625)	1,305,178
TOTAL INCOME		1,030,691	58,729	1,089,420	2,351,015
EXPENDITURE ON					
Charitable activities	5	(888,144)	(157,197)	(1,045,341)	(989,812)
Raising funds – investment management fees		(25,221)		(25,221)	-
TOTAL EXPENDITURE		(913,365)	(157,197)	(1,070,562)	989,812
Net (losses) / gains on investment	15	(22,730)	(534)	(23,264)	35,922
NET (EXPENDITURE) / INCOME		94,596	(99,002)	(4,406)	1,397,125
TRANSFER BETWEEN FUNDS	20	(110,747)	110,747	-	-
Remeasurement gain/(loss) on defined benefit pension plan	8	(65,649)	-	(65,649)	(7,654)
NET MOVEMENT IN FUNDS		(81,800)	11,745	(70,055)	1,389,471

RECONCILIATION OF FUNDS

Total funds brought forward as previously stated					4,824,272
Transitional adjustments to FRS 102 SORP 2015 2(p)b					2,842,830
Total funds brought forward		3,612,735	5,478,322	9,091,057	7,667,102
Total funds at 31 December		3,530,936	5,490,067	9,021,002	9,091,057

The notes on pages 12 to 27 form part of these financial statements.

All activities of the charity are continuing. The Statement of Financial Activities includes all gains and losses recognised during the year.

In the comparative period all income and expenditure was unrestricted with the exception of £80,107 of depreciation expenditure on the Fixed Asset Fund and income of £53,146 and charitable activity expenditure of £30,526 in relation to Greenwood's Almshouse Trust.

Harrison Housing

(a company limited by guarantee)

BALANCE SHEET

31 December 2015

Company Number: 4932686

	Notes	Company 2015 £	Group 2014 £
FIXED ASSETS			
Tangible Assets	13	5,505,067	5,493,322
Investments	15	3,667,133	3,450,997
		<u>9,172,200</u>	<u>8,944,319</u>
CURRENT ASSETS			
Debtors	16	63,928	70,570
Short term bank deposits		2,358	2,348
Cash at bank and in hand		126,953	385,428
		<u>193,239</u>	<u>458,346</u>
CREDITORS: Amounts falling due within one year	17	<u>(126,037)</u>	<u>(133,650)</u>
NET CURRENT ASSETS		<u>67,202</u>	<u>342,695</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,239,402</u>	<u>9,269,015</u>
CREDITORS: Amounts falling after more than one year	18	<u>(218,400)</u>	<u>(177,957)</u>
NET ASSETS		<u><u>9,021,002</u></u>	<u><u>9,091,058</u></u>
FUNDS OF THE CHARITY			
General reserve	19	3,262,705	3,378,497
Restricted funds			
Greenwoods Almshouses Trust	20	132,607	168,880
Howis Trust	20	101,912	101,912
Refurbishment Fund	20	466,588	482,364
Fixed Asset Fund	20	4,788,959	4,725,167
Unrestricted funds			
Cyclical Maintenance Fund	21	253,231	219,238
Revaluation reserve	22	15,000	15,000
TOTAL CHARITY FUNDS		<u><u>9,021,002</u></u>	<u><u>9,091,058</u></u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements were approved and authorised for issue by the trustees on 20 June 2016 and signed on their behalf by:



J Malpass FCA
Treasurer



C H Senior
Chairman

The notes on pages 12 to 27 form part of these financial statements.

Harrison Housing

(a company limited by guarantee)

CASH FLOW STATEMENT

For the year ended 31 December 2015

	<i>Note</i>	2015 £	2014 £
NET CASH FLOW FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	24	50,818	(51,046)
CASH FLOW FROM INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(155,941)	(116,284)
Receipts from sales of tangible fixed assets		(2,899)	1,868,536
Payments to acquire investments		(1,553,584)	(2,107,785)
Receipts from sales of investments		1,314,183	-
Interest received		1,096	7,772
Dividends received		99,116	73,962
Interest paid		(2,706)	(3,249)
NET CASH FLOW FROM INVESTING ACTIVITIES		<u>(300,735)</u>	<u>(277,048)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(249,917)</u>	<u>(328,094)</u>
Cash and cash equivalents at 1 January		353,845	681,939
Movement in cash and cash equivalents		<u>(249,917)</u>	<u>(328,094)</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	25	<u>103,928</u>	<u>353,845</u>

Harrison Housing

(a company limited by guarantee)

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

1 STATUS

The company is registered at Companies House in England and Wales as a company limited by guarantee. It is also registered with the Charity Commission as an almshouse charity and with The Homes and Communities Agency as a private registered provider.

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.

2 (a) General information and basis of preparation

Harrison Housing is a company limited by guarantee in the United Kingdom. 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 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 (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, the Accounting Direction for Private Registered Providers of Social Housing 2015 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

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.

The charity adopted SORP (FRS 102) in the current year and an explanation of how transition to SORP (FRS 102) has affected the reported financial position and performance is given in point 2(p).

(b) Comparative

Effective 1 January 2015 Whicher and Kifford Almshouses entered into a Uniting Direction with Harrison Housing and the accounts are aggregated, before this time Whicher and Kifford Almshouses was presented as a subsidiary of Harrison House and group accounts were prepared. Under the Uniting Direction group accounts are no longer required, the comparative in these financial statements represents the group figures presented within the 2014 Financial Statements.

(c) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the organisation.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes, primarily for the repair of the housing properties. Designations are reviewed annually.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

The Fixed Asset Fund is a restricted fund and includes the net cost of all assets less one piece of freehold land, which has been included within designated funds as it does not relate to housing stock. Some of the assets are restricted by the terms and conditions set out within the Social Housing Grants. The remainder of the Charity's housing assets have been included within restricted funds for presentational purposes.

Harrison Housing

(a company limited by guarantee)

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Turnover represents maintenance contributions (including service charge income and grants), 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' Annual Report.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest and rent. Where it is not practicable 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 and rent income is recognised as the charity's right to receive payment is established.

Social Housing Capital grants are recognised only when received, 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.

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes investment management fees.
- Expenditure on charitable activities includes property management and repair costs; and
- Other expenditure represents those items not falling into the categories above.

The cost of repairs, renewals and maintenance is charged to the income and expenditure account as incurred.

The estimated resources needed to finance the cost of adequately maintaining the condition of the company's properties is shown in designated reserves. Transfers are made to and from the income and expenditure account to reflect the estimated annualised costs of cyclical maintenance and extraordinary repairs, and the costs of cyclical maintenance and extraordinary repairs carried out during the year.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

(f) Support costs allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

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For the year ended 31 December 2015

(g) Tangible fixed assets

Housing properties are available for rent and are stated at cost less depreciation. The cost of these properties including the identified components of the properties includes the following: directly attributable development costs and expenditure incurred in replacing identified components of the properties. Tangible fixed assets are only capitalised with a value exceeding £5,000. Items below this value are charged to the income and expenditure account in the period incurred.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life. No depreciation is provided on freehold land. The value of the housing properties, being historic cost, is depreciated using the component accounting method, as required by the SORP. The identified components and estimated useful economic lives are:

Asset	Years
Building	100
Roof	70
Windows	30
Boilers	15
Kitchen	15
Bathroom	15
Mechanical	30
Electrics	40
Lift	20

The surplus or deficit on disposal of fixed assets is accounted for in the income and expenditure account of the period in which the disposal occurs as the difference between the net sale proceeds and the net carrying value.

(h) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Investments are constantly revalued and stated at market value at the balance sheet date. Any unrealised profit / (loss) arising is disclosed in the Statement of Financial Activities.

(i) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

(j) Loans and borrowings

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.

(k) Provisions

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

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(l) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

(m) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Charity participates in The Pension Trust's Growth Plan and The Pensions Trust - Social Housing Pension Scheme. As multi-employer schemes within the definition of FRS 102, none of the assets or liabilities of the schemes are included on the charity's Balance Sheet. Due to certain guarantees included in the schemes there are employer's debts which would become payable if the Charity left the schemes and this is explained in Note 29.

Both schemes are subject to deficit reduction payment plans where by the employer is required to make additional payments to the scheme over a 20 year period. The charity has recognised a liability measured as the present value of the future contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. The discount rate used is 2.18%.

(n) Tax

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.

(o) 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.

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NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2015

(p) First-time adoption of Charities SORP (FRS 102)

The charity has adopted the SORP (FRS 102) for the first time in the year ended 31 December 2015. The effect of transition from SORP (2005) to SORP (FRS 102) is outlined below.

a) Changes in accounting policies

Consequential changes in accounting policies resulting from adoption of SORP (FRS 102) were as follows:

- The deficit reduction payment plans in place for the Social Housing Pensions Scheme and Pensions Trust have been recognised as creditors at the date of transition.
- Long term creditors are accounted at their fair value. The deficit reduction payment creditor due to the Social Housing Pension Scheme and Pensions Trust have been discounted over the expected payment period.
- The Social Housing Grant has been recognised as income through the Statement of Financial Activities. The cost of Fixed Assets are depreciated over their useful economic lives.

b) Reconciliation of total charity funds

AT DATE OF TRANSITION	£
Funds previously reported at 01.01.14	4,824,272
Recognition of Social Housing Grant as income	4,491,808
Accumulated depreciation	(1,474,774)
Recognition of pension liability (at fair value)	(174,204)
Total funds reported under FRS 102 as at 01.01.14	<u>7,667,102</u>
AT END OF COMPARATIVE PERIOD	£
Funds previously reported at 31.12.14	6,194,601
Recognition of Social Housing Grant as income	4,480,630
Accumulated depreciation	(1,388,113)
Recognition of pension liability	(196,061)
Total funds reported under FRS 102 as at 31.12.14	<u>9,091,057</u>
THE NET INCOME PREVIOUSLY REPORTED IN THE COMPARATIVE PERIOD	£
Net Income as previously reported	1,336,139
Gains and losses on investments	35,922
Pension liability movement	17,410
Net income as restated under FRS 102	<u>1,389,471</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

3 ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	Company 2015 £	Group 2014 £
HOUSING ACTIVITIES		
Maintenance contributions receivable:		
Rental income receivable net of identifiable service charges	548,038	531,023
Service charges receivable	347,111	339,364
	<hr/>	<hr/>
Gross rental income	895,149	870,387
Losses from void accommodation	(9,825)	(7,685)
	<hr/>	<hr/>
	885,324	862,702
Management fees	84,418	64,343
Rental income	13,495	13,973
Sundry income	5,894	5,517
	<hr/>	<hr/>
	989,131	946,555
	<hr/>	<hr/>

Rental income includes £57,966 (2014: £52,404) restricted income from the Greenwoods almshouse.

The analysis of the maintenance contributions charged to residents of the sheltered housing accommodation reflects the breakdown of these receipts for housing benefit and supporting people purposes. Service charges include ineligible charges. Not all residents are entitled to receive housing benefit.

4 NUMBER OF UNITS MANAGED

	Company 2015 Number	Group 2014 Number
Accommodation units:		
a. Own units		
At beginning of period	92	92
At end of period	92	92
b. Managed for another body		
At beginning of period	49	49
At end of period	52	49
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

5	EXPENDITURE ON CHARITABLE ACTIVITIES	Note	Company 2015 £	Group 2014 £
	Charged to income and expenditure account:			
	Routine repairs and maintenance		118,500	96,710
	Cyclical maintenance		126,350	197,411
	Depreciation		141,471	80,107
	Spend on properties		386,321	374,228
	Direct staff costs	6	396,308	360,239
	Governance & support	10	102,080	84,137
	Other		160,632	171,209
	Total spend on charitable activities		<u>1,045,341</u>	<u>989,812</u>
6	STAFF COSTS		Company 2015 £	Group 2014 £
	Staff costs including directors' emoluments:			
	Wages and salaries		338,106	347,792
	Termination costs		30,000	
	Other staff costs (temp)		13,680	-
	Social security costs		35,529	34,557
	Other benefits		2,421	2,472
	Pension costs (see note 8)		19,641	23,781
	Total payroll costs		<u>439,377</u>	<u>408,602</u>
	Less: Amounts recovered from managed schemes		<u>(11,247)</u>	<u>(11,290)</u>
			<u>428,130</u>	<u>397,312</u>
	Allocated as follows:			
	Direct costs of Charitable Activities		396,308	360,239
	Support costs		31,822	37,073
			<u>428,130</u>	<u>397,312</u>
	Average number of staff employed in the year were:		Number	Number
	Operating staff - full time		4	5
	- part time		1	1
	Administrative staff - full time		3	3
	- part time		1	1
	Headcount		<u>9</u>	<u>10</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

7 TRUSTEE REMUNERATION AND EXPENSES, THE REMUNERATION OF KEY MANAGEMENT PERSONEL AND RELATED PARTY TRANSACTIONS

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2014: £nil). One trustee was reimbursed expenses during the year totalling £48 relating to the residents Christmas party (2014 £nil). No charity trustee received payment for professional or other services supplied to the charity (2014; £nil).

Trustees made donations and payments for the use of the guest room totalling £37 (2014: £nil)

The key management personnel of the charity comprises the trustees, the Chief Executive, Finance Director and Operations Director (this post did not exist at the end of 2015). The total employee benefits of the key management personnel of the charity were £189,107 (2014: £185,363).

Expenses reimbursed to key management personnel were £2,565 (2014: £1,434) of which £425 (2014: £416) was outstanding at the end of the year.

The number of employees whose emoluments fell within the £70,001 - £80,000 band was 1 (2014: 1)

The CEO is an ordinary member of the SHPS Defined Contribution Growth Plan scheme, funded by enhanced contributions of 7% employee, 14% company. The company also contributes £12 per annum to a separate SHPS Defined Contribution scheme to prevent the crystallisation of the Defined Benefit liability in that plan.

8 PENSION COSTS

Harrison Housing participates in two pension schemes; the Social Housing Pension Scheme and the Pensions Trust Growth Plan. (the Social Housing Pension Scheme is funded and is contracted out of the State Pension scheme).

Both schemes are multi-employer schemes where the Scheme's assets are co-mingled for investment purposes, and benefits are paid from total Scheme assets; as such it is not possible to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Schemes, the accounting charge for the period under FRS102 represents the employer contribution payable.

The Trustees of each scheme commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to address the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The last formal valuation of the Social Housing Pensions Scheme was performed as at 30 September 2014 by a professionally qualified Actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £3,123m for SHPS and £793m for the Pensions Trust. The valuation revealed a shortfall of assets compared with the value of liabilities of £1,323 million (SHPS) and £177m (The Pensions Trust).

The company has been notified of the estimated employer debt on withdrawal from the SHPS Pension Scheme based on the financial position of the Scheme as at 30 September 2014. As of this date the estimated employer debt for the company was £715,615 (see note 29).

In November 2008 the trustees decided to close the final salary benefit scheme to new members and to offer instead membership of the SHPS defined contribution scheme, under which contributions ranging from 8% to 14% are payable by the company and 3% to 7% by employees. At the year end there were 3 active members of the defined contribution scheme.

The pension charge for the period was £19,641 (2014: £23,613), of which £3,842 (2014: £3,807) was outstanding at the year end. Payments made towards the deficit was £18,104.03 (2014: £17,410).

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

9	INTEREST RECEIVABLE AND SIMILAR INCOME	Company 2015 £	Group 2014 £
	Bank deposit and bond interest	1,096	7,772
	Dividend income	99,116	73,962
		<u>100,212</u>	<u>81,734</u>

All of the company's investment income arises from money held in stocks, shares and interest bearing deposit accounts with Investec and NAACIF.

10	ANALYSIS OF GOVERNANCE AND SUPPORT COSTS	Company 2015 £	Group 2014 £
	Legal and other professional fees	50,590	31,464
	Governance costs - auditors services	19,668	15,600
	Support staff costs (see note 6)	31,822	37,073
		<u>102,080</u>	<u>84,137</u>

11	SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	Company 2015 £	Group 2014 £
	The surplus on ordinary activities before taxation is stated after charging:		
	Depreciation of tangible fixed assets	141,471	80,107
	(Profit) on disposal of fixed assets (see note 15)		(1,305,178)
	Auditors' remuneration - audit services	14,800	15,600
	- under accrued for previous year	4,868	-
		<u></u>	<u></u>

12 TAXATION

The charity is exempt from corporation tax on its income and gains to the extent that these are applied for charitable purposes.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

13	HOUSING AND OTHER PROPERTIES FREEHOLD LAND AND BUILDINGS	Housing properties £	Furniture & equipment £	Non Housing Assets £	Total all Properties £
	COMPANY				
	Cost or valuation				
	1 January 2015	7,278,079	174,961	58,870	7,511,910
	Transfers		-	-	-
	Additions	116,576	25,241	14,124	155,941
	Disposals	(105,337)	-	(9,240)	(114,577)
		<u>7,289,318</u>	<u>200,202</u>	<u>63,754</u>	<u>7,553,274</u>
	31 December 2015				
	Depreciation				
	1 January 2015	1,949,907	33,683	34,998	2,018,588
	Charge for the year	125,185	12,998	3,288	141,471
	Disposals	(105,337)	-	(6,514)	(111,851)
		<u>1,969,755</u>	<u>46,681</u>	<u>31,772</u>	<u>2,048,208</u>
	31 December 2015				
	Net book value				
	31 December 2015	<u>5,319,563</u>	<u>153,521</u>	<u>31,982</u>	<u>5,505,066</u>
	31 December 2014	<u>5,328,172</u>	<u>141,278</u>	<u>23,872</u>	<u>5,493,322</u>

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 trustees' valuation as at 31 December 2015. The historical cost was £Nil. The trustees' valued the land in 2001 and have not updated the valuation because they are not aware of any material change in value.

14 PROPERTY ACQUISITION AND SALE

A residual cost for the sale of property in Fulham was written off in 2015. This is included in the £5,625 loss on sale of fixed assets. This property was sold for a profit of £1.3m in 2014.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

	2015	2014
	£	£
15 INVESTMENTS GROUP		
Movement in investments:		
Market value at 1 January 2015	3,450,996	1,307,290
Disposals at carrying value	(2,388,760)	-
Additions at cost	3,058,190	1,608,317
Movement on cash account	(430,029)	499,469
Net (loss) / gain on revaluation	(23,264)	35,921
	<u>3,667,133</u>	<u>3,450,997</u>
Market value at 31 December		
	<u>3,659,334</u>	<u>3,205,171</u>
Historic cost as at 31 December		

The investments are in National Association of Almshouses Common Investment Fund units and managed listed securities held with Investec. All funds are invested within listed companies for which there is a readily available market value. NAACIF holdings include £2,274 representing a permanent endowment fund which formed part of Greenwood's Almshouses Trust.

16 DEBTORS

	Company 2015	Group 2014
	£	£
Amounts recoverable within one year:		
Maintenance contributions – housing	15,198	13,360
Prepayments and accrued income	38,533	41,177
Other debtors	10,197	16,033
	<u>63,928</u>	<u>70,570</u>

17 CREDITORS: amounts falling due within one year

	Company 2015	Group 2014
	£	£
Maintenance contributions – housing	-	2,516
Housing loans	6,620	6,033
Trade creditors	12,624	30,556
Other taxation and social security	-	10,900
Accruals and deferred income	78,111	55,300
Pension scheme creditors	22,429	21,911
Other creditors	6,253	6,434
	<u>126,037</u>	<u>133,650</u>

The estimated average period between the receipt of invoices and their subsequent payment is not more than 30 days.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

18 CREDITORS: amounts falling due after more than one year

	Company 2015 £	Group 2014 £
Housing loans: Orchardbrook Limited	18,763	25,382
Pension deficit	199,637	152,575
	<u>218,400</u>	<u>177,957</u>

The Orchardbrook Limited loan is secured by a specific charge on certain housing properties and is repayable by instalments ending within five years from the balance sheet date, bearing interest at 9.5% per annum.

The Pension deficit liability represents the liability due in respect of the Social Housing Pensions Scheme and Pensions Trust – multi-employer, defined benefit pension schemes. The liabilities have been discounted over the expected lifetime of the debt.

The creditors above are repayable in instalments which fall due as follows from the balance sheet date:

	2015 £	2014 £
(a) Within one year	<u>25,206</u>	<u>24,137</u>
(b) Between one and two years	28,645	25,206
(c) Between two and five years	82,512	87,267
(d) After five years	<u>107,243</u>	<u>65,484</u>
	<u>218,400</u>	<u>177,957</u>

19 GENERAL RESERVE

	Company 2015 £	Group 2014 £
1 January 2015	3,378,497	2,431,227
Surplus/(loss) for the period transferred from income and expenditure account	28,947	1,201,383
Net transfers (to) / from Restricted Reserves:		
Greenwoods Almshouse Trust	10,800	(10,751)
Refurbishment Fund	-	15,775
Net transfers (to) / from Designated Reserves:		
Transfer from/(to) Fixed Asset Fund	(121,546)	(282,108)
Transfer from/(to) Cyclical Maintenance Fund	(33,993)	22,971
31 December 2015	<u>3,262,705</u>	<u>3,378,497</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

20 RESTRICTED RESERVES

COMPANY	Greenwood's Almshouses Trust £	Howis Trust £	Refurbishment Fund £	Fixed Asset Fund £	Total £
Balance at 1 January 2015	168,880	101,912	482,364	4,725,167	5,478,323
Unrealised gain on investments	(534)	-	-	-	(534)
Transfers from / (to)					
Income and expenditure account:					
Income from housing activities	57,966	-	-	-	57,966
Operating costs	(83,668)	-	(15,776)	(57,754)	(157,198)
Investment income	763	-	-	-	763
Transfers (to)/from designated / general reserves	(10,800)	-	-	121,546	110,746
Net deficit	(36,273)	-	(15,776)	63,792	11,744
TOTAL RESTRICTED RESERVES AT 31 December 2015	132,607	101,912	466,588	4,788,959	5,490,066

The company'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 in respect of the period following their acquisition. £11k was transferred from the Greenwoods trust to the Cyclical Maintenance Fund and represents the estimated annualised cost of the cyclical maintenance programme.

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 refurbishment programme began in 2013 and was completed in March 2014.

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 available for other purposes.

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

21	DESIGNATED RESERVES	Company 2015 £	Group 2014 £
	CYCLICAL MAINTENANCE FUND		
	1 January 2015	219,238	242,209
	Transfer from income and expenditure account	165,600	182,000
	Transfer to income and expenditure account	(131,607)	(204,971)
	31 December 2015 (noted)	<u>253,231</u>	<u>219,238</u>

The Cyclical Maintenance Fund:

- 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.
- 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.

22	REVALUATION RESERVE – NON SOCIAL HOUSING PROPERTY	2015 £	2014 £
	GROUP AND COMPANY		
	1 January 2015 and 31 December 2015	<u>15,000</u>	<u>15,000</u>

The Newell Hall orchard has been valued at £15,000 (see note 13).

23 FUNDS ALLOCATION WITHIN NET ASSETS

	Unrestricted Fund £	Designated Fund £	Restricted Fund £	Total £
Fixed Assets	-	15,000	5,490,067	5,505,067
Investments	3,413,903	253,230	-	3,667,133
Current Assets	193,239	-	-	193,239
Current Liabilities	(126,037)	-	-	(126,037)
Long Term Liabilities	(218,400)	-	-	(218,400)
	<u>3,262,705</u>	<u>268,230</u>	<u>5,490,067</u>	<u>9,021,002</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

24 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Company 2015 £	Group 2014 £
Operating (loss)/Surplus	(70,055)	1,201,382
Interest paid	2,706	3,249
Dividends received	(99,116)	(73,962)
Interest receivable	(1,096)	(7,772)
Depreciation and impairment of tangible fixed assets	141,471	80,107
(Gains) / losses on investments	23,264	(35,922)
(Profit) / loss on disposal of tangible fixed assets	5,625	(1,305,179)
Increase/(decrease) in long term creditors	47,062	152,565
(Increase)/decrease in debtors	6,641	(6,813)
Increase/(decrease) in creditors	(5,684)	(58,701)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	50,818	(51,046)

25 RECONCILIATION OF MOVEMENTS IN CASH WITH MOVEMENTS IN NET FUNDS

	Net funds at 31 December 2014 £	Cash flows Year ended 31 December 2015 £	Net funds at 31 December 2015 £
Current cash at bank and in hand	385,428	(258,475)	126,953
Liquid resources	2,348	10	2,358
	387,776	(258,465)	129,311
Housing loans			
- Due within one year	(6,033)	(587)	(6,620)
- Due in over one year	(25,382)	(6,619)	(18,763)
	356,361	(265,671)	103,928

All movements arise from the cash flows of the company.

26 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no guarantees or other financial commitments falling due in the years to 31 December 2015 or 2014.

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

27 SOCIAL HOUSING GRANT

Total social housing grant received for the Group as at the year-end was £4,645,318, made up as follows:

Capital grant	£4,604,327
Revenue grant	£40,991
Total	£4,645,318

Grant relating to components disposed of as at 01.01.15	£123,696
Disposals during 2015	£71,097
Total	£194,793

This liability is reflected within the Fixed Asset Fund

28 SUBSIDIARY UNDERTAKINGS

Harrison Housing owns 100% of the issued share capital (£1) of Harrison Housing Trustees Limited, a company incorporated in Great Britain and registered in England.

Harrison Housing Trustees Limited has not traded since its incorporation and had net assets of £1 as at 31 December 2015 (2014: £1).

In 2014 Harrison Housing and Harrison Housing Trustees Limited had joint trusteeship of Whicher and Kifford Almshouses, a charity which was registered with the Charity Commission in England and Wales and which also had registered provider of social housing status and was registered with the Homes and Community Agency as a housing association. Whicher and Kifford's principal objective is the provision of sheltered accommodation for elderly people in need.

Effective 1 January 2015 Whicher and Kifford entered into a Uniting Direction with Harrison Housing and the accounts are aggregated.

29 CONTINGENT LIABILITIES

The liability as at 31 December 2015 that would crystallise if Harrison Housing left the Social Housing Pensions Scheme and Pensions Trust scheme is £715,615.