**L**ate one night, Albus Dumbledore and Minerva McGonagall, professors at Hogwarts School of Witchcraft and Wizardry, along with the school's groundskeeper Rubeus Hagrid, deliver a recently orphaned infant named Harry Potter to his only remaining relatives, the Dursleys.

Ten years later, Harry has lived a difficult life with the Dursleys. After inadvertently causing an accident during a family trip to the zoo, Harry begins receiving unsolicited letters by owls. After he and the Dursleys escape to an island to avoid more letters, Hagrid re-appears and informs Harry that he is a wizard and has been accepted into Hogwarts against the Dursleys' wishes. After taking Harry to Diagon Alley to buy his supplies for Hogwarts and a pet owl named Hedwig as a birthday present, Hagrid informs him of his past: Harry's parents James and Lily Potter died due to a Killing Curse at the hands of the malevolent and all-powerful wizard: Lord Voldemort. Harry, the only survivor in the chaos, thus becomes well-known in the wizarding world as "The Boy Who Lived".

Harry enters the King's Cross station to board a train to Hogwarts, where he meets three other students: Ron Weasley, whom he quickly befriends; Hermione Granger, an intelligent witch born to non-magical Muggle parents; and Draco Malfoy, a boy from a wealthy wizarding family, with whom he immediately forms a rivalry. After arriving at school the students assemble in the Great Hall, where all the first-years are sorted by the Sorting Hat among four houses: Gryffindor, Hufflepuff, Ravenclaw, and Slytherin. Although the Sorting Hat considers putting Harry in Slytherin with Draco, he is placed into Gryffindor alongside Ron and Hermione.

At Hogwarts, Harry begins learning magic spells and discovers more about his past and parents. After recovering the Remembrall of Gryffindor student Neville Longbottom, Harry is recruited for Gryffindor's Quidditch team as a Seeker, an extremely rare feat for first year students. On their way to the dorms one night the stair cases change paths leading Harry, Ron, and Hermione to the forbidden floor of Hogwarts. The three discover a giant three-headed dog named Fluffy in a restricted area of the school. Ron then insults Hermione after being embarrassed by her in a Charms lesson, causing Hermione to lock herself in the girls' bathroom. She is attacked by a marauding troll, but Harry and Ron save her, befriending her in the process.

The children later find out that Fluffy is guarding the Philosopher's Stone, an object that has the power to turn any metal into gold and produce a potion that grants immortality. Harry suspects that the Potions teacher and head of Slytherin House Severus Snape is trying to obtain the stone in order to return Voldemort to physical form. Hagrid accidentally reveals to the trio that Fluffy will fall asleep if music is played to it. Harry, Ron, and Hermione decide that night to try and find the stone before Snape does. They discover an already asleep Fluffy and face a series of safeguards, including a deadly plant known as Devil's Snare, a room filled with aggressive flying keys that bruise Harry, and a giant chess game that knocks out Ron.

After getting past the tasks, Harry discovers that it was Defence Against the Dark Arts teacher Quirinus Quirrell who was trying to claim the stone: Snape had actually been protecting Harry all along. Quirrell removes his turban and reveals a weak Voldemort living on the back of his head. Through an enchantment placed by Dumbledore, Harry finds the stone in his possession. Voldemort attempts to bargain the stone from Harry in exchange for reviving his parents, but Harry refuses. Quirrell attempts to kill Harry in response; however, he is instead killed after Harry ends up burning his skin, reducing Quirrell to dust and causing Voldemort's soul to rise from his ashes. Harry is knocked unconscious when Voldemort's soul passes through him.

Harry recovers in the school's hospital wing with Dumbledore at his side. Dumbledore explains that the stone has been destroyed and that Ron and Hermione are safe. Dumbledore also reveals how Harry was able to defeat Quirrell: When Harry's mother died to save him, her death gave Harry a love-based protection against Voldemort. Harry, Ron, and Hermione are rewarded with house points for their heroic performances, tying them for first place with Slytherin. Dumbledore then awards ten points to Neville for attempting to stop the trio, granting Gryffindor the House Cup. Harry returns home for the summer, happy to finally have a real home in Hogwarts.