

Howick Trustees Limited
(a charitable company limited by guarantee)
Governors' Report and Accounts
for the Year Ended 31st March 2021

Registered Charity Number 504347

Limited Company Number 1208214

Howick Trustees Limited

Governors' Report and Accounts

for the Year Ended 31st March 2021

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Howick Trustees Limited

Governors and Advisors for the Year Ended 31st March 2021

Governors

Dr David E. C. Baring

Charles M. Erskine

Mark G. O. Bridgeman

Sir Walter J. B. Riddell Bt

Matthew G. Darby

Victoria J. Baring

David G. Knott Appointed 7th September 2020

Secretary

Mrs J. A. Woodford Retired 31st May 2021

Mrs D. Spark

Mrs C. B. Coley Appointed 1st October 2021

Independent Auditors

Greaves West & Ayre

17 Walkergate

Berwick-upon-Tweed

Northumberland

TD15 1DJ

Bankers

Barclays Bank PLC

Alnwick Branch

Northumberland Group

PO Box 36

Morpeth

NE61 3YY

Land Agents

GSC Grays

5F Linnet Court

Cawledge Business Park

Alnwick

Northumberland

NE66 2GD

Independent Financial Advisors

Charles Stanley & Co. Limited

55 Bishopsgate

London

EC2N 3AS

Registered Office

Howick Estate Office

Alnwick

Northumberland

NE66 3LB

Howick Trustees Limited

GOVERNORS' REPORT FOR THE YEAR ENDED 31st MARCH 2021

The Governors have pleasure in presenting their report together with the accounts for the year ended 31st March 2021.

Appointment of Governors

The Governors fall within the meaning of Trustees as defined in the Charities Act and within the meaning of Directors as defined in the Companies Act. They are appointed by the board with the consent of the founder, Lord Howick who passed these powers onto Dr David E. C. Baring. There is no fixed term of appointment and Governors retire and are appointed according to the requirements of Howick Trustees Limited ("HT").

New Governors are given a copy of the Articles of Association, the latest report and accounts, and all of HT's documents covering policies and governance. Subject to their experience and expertise, they are also given documents issued by the Charity Commission explaining the duties of trustees of charities and offered training in any area of their duties which they think they would like to strengthen.

The present Governors have considerable knowledge and expertise in finance, horticultural matters and the management of country estates.

Governing Instrument, Constitution and Organisation

HT is governed by its Articles of Association, which were reviewed in 2015 and subsequently altered by written resolution on 23rd October 2015. This review takes place every five years, the next being due in 2025.

The Governors are responsible for setting the strategy for HT and establishing and monitoring the methods by which the aims of that strategy are achieved. The Governors are also responsible for all financial matters, including establishing and monitoring internal financial controls, an annual budget including capital transactions, managing HT's investments, health and safety procedures and risk management. All day to day management is delegated by the Governors to Dr David E. C. Baring under written terms of reference which are reviewed annually. HT works closely with a neighbouring farm owned by Dr David E. C. Baring, resulting in some shared services. These are disclosed in full in note 14.

HT does not employ a Director or Financial Director; its employees are paid according to national standards in horticulture, woods and estate work.

Activities and Objectives

The objectives for which HT is established are:

1. the acquisition and preservation and conservation and improvement for the benefit of the public of places of historical or archaeological interest or of natural or cultivated beauty in Northumberland and the provision of ready access to them by the public;
2. to advance the education of the public in matters of conservation, horticulture, architecture, the arts and the history of Howick and the surrounding area in particular by the display and exhibition of related artwork and the supply of interpretive and educational materials.

The principle activity of HT is to maintain and develop the garden and arboretum at Howick, with its surrounding countryside; if there are spare funds available after that, they are spent on other objectives. It also intends to restore the ground floor of Howick Hall and open it to the public in conjunction with the garden.

Public Benefit

The Governors have regard to the guidance on public benefit issued by the Charity Commission and consider that HT fulfils its obligations to comply with charitable status by:

- a) opening Howick Hall Gardens and Arboretum to the public for a small charge every day from early Spring until late Autumn;
- b) developing an education programme on the local flora and fauna for both visitors and local schools; and
- c) opening the front hall on the ground floor of Howick Hall as a Visitor Centre to increase the information on the Gardens and Arboretum available to the public.

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Public Benefit (continued)

In the opinion of the Governors, HT contributes to three of the Charity Commission's tests for public benefit:-

1. the advancement of the arts, culture, heritage or science.
2. the advancement of environmental protection or improvement.
3. the advancement of education.

HT contributes to heritage by protecting the property in its ownership, which has high heritage value and making most of it open to the public.

The arboretum has scientific value since it is entirely planted with trees and shrubs grown from seed collected in the wild under duly authorised permits where relevant, fully documented, mapped and with a computerised data base, some of which is now on HT's website.

HT's policy is to manage the land it owns to enhance its environmental value for the natural world where possible; of particular interest at the moment is the battle to prevent the encroachment of the grey squirrel in order to preserve the native red squirrel at Howick.

HT wishes to increase its educational role, particularly for children, in all aspects of nature but recognises that it can only do so within the constraints of funds available to it. The licence to the North-East branch of the National Autistic Society to create a Sensory Garden outside of the south wall of the old walled garden has been renewed for a further 12 months.

Fixed Assets

HT owns the freehold of approximately 1,215 acres of land in Northumberland, nearly all of which was received by gift from Lord Howick in 1977 and later years. About 1,182 acres are within an Area of Outstanding Natural Beauty and includes nearly 2 miles of shoreline which is a Site of Special Scientific Interest, and part of the Northumberland Coast Special Protection Area. It has also been designated a Special Area of Conservation by the European Commission.

The main parts of the Estate are three farms tenanted at normal commercial rates with farm buildings and houses amounting to about 820 acres; about 230 acres of mainly broadleaf woodlands; 30 houses either occupied by HT's employees and pensioners, or let at normal market rents; and the centre part, the east quadrant, and the east wing of Howick Hall, all Grade 2* listed buildings and the historic home of the Earls Grey, with its surrounding gardens and policies. Lord Howick retains the freehold of the west quadrant and west wing with its garden. The land and buildings within the Area of Outstanding Natural Beauty are treated by the Governors as functional property and are held as part of the objects of HT's charitable objectives. Outside the AONB, on the other side of the boundary road, HT owns the freehold of about 6 acres of broadleaf woodlands.

HT also owns the freehold of a nearby commercial property given to it in 1979 by Lord Howick of about 22 acres let on normal commercial terms to Tarmac Trading Ltd and used by their underlessee to manufacture concrete pipes; the site also contains a mobile telephone mast let on normal commercial terms to EE Ltd. The Governors treat these assets as investment properties.

Summary of Policies to Achieve Objectives

Howick Hall was the home of the Earls Grey, the most distinguished of whom was the 2nd Earl who was Prime Minister responsible for the Great Reform Bill of 1832, and for whom Earl Grey tea was created. The centre part of Howick Hall was burnt down in 1926 and lost all of its original Georgian interiors and much of its contents. The house was rebuilt to quite different internal designs by Sir Herbert Baker in 1928, and further alterations were made in 1970.

The Governors have resolved to maintain the overall style of gardening in the natural and informal manner established by 5th Earl and Countess Grey in 1920, and continued by their elder daughter, Lady Mary Howick, for which the gardens are well known. Howick is best known for its collection of inter-war daffodils and other spring bulbs, its woodland garden started in 1930 where many tender shrubs succeed in thriving together with many woodland herbaceous plants, its more formal borders and rockery around the Hall, its arboretum planted solely with trees and shrubs from the temperate world grown from wild seed collected on expeditions, and its bog garden which shows all the wild origin herbaceous plants collected on expeditions for the arboretum. A new Hydrangea Garden was started in the winter of 2015 in the south west corner of the garden and has established well. They have also resolved to continue to concentrate on English hardwoods in the woods at the expense of commercial conifers to improve their amenity value and habitat for wild life.

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Summary of Policies to Achieve Objectives continued

Because of the 1926 fire, the Governors have always felt that there is greater public benefit in developing and maintaining the gardens, arboretum and surrounding land than there is in the Hall, although the preservation of its exteriors are essential as the centre piece to the garden.

The arboretum was started in 1988 and is based upon trees and shrubs grown from seed collected in the wild in their natural habitats from numerous expeditions, particularly to Sichuan in China and to Japan and more recently to North America and Russia. The Asiatic expeditions were mainly undertaken in co-operation with Quarryhill Botanical Garden in California under the leadership of the Royal Botanic Gardens at Kew while those to Japan, Russia and North America in recent years have been under the leadership of Royal Botanic Garden Edinburgh. Other countries visited include India, New Zealand, Tasmania and a number in Europe. The field data on all collections has been recorded on a Microsoft database, much of which is now accessible on HT's website. The arboretum has been professionally mapped. There are currently about 12,500 trees and shrubs representing about 1,800 taxa, some of which are classified as endangered in their natural habitats. This represents a considerable resource in North East England, which will offer educational opportunities in the future as well as contributing to ex situ aspects of species conservation.

The garden has an outstanding collection of early 20th century daffodil hybrids, many of which are no longer available. HT's policy is to conserve this collection and not to introduce more recent hybrids into the garden area.

As one of the few remaining places in England where the native red squirrel is still to be seen, HT will do its best to prevent grey squirrels from establishing themselves and will co-operate with all interested parties to keep them at bay. It has to be said that this will not be easy and the number of grey squirrels controlled is increasing each year.

The garden and arboretum are open daily from early spring to late autumn; all details are shown on HT's website.

Future Plans

HT's future plans have been materially affected by the events (political and pandemic related) of the last 3 years. The Governors consider that a substantial part of HT's income may be adversely affected due to the disruption. The visitor business and holiday let were affected by lockdowns. The stock portfolio initially saw a substantial reduction in valuation which has now recovered. There remains ongoing uncertainty and as such future planning will have to be contingent on these variables. The internal work on the ground floor is now complete, however the facilities created are now open for visitor use however some development is required to expand the opportunities for income generation to recoup the expenditure on the redevelopment. Following recent legislation on sewage treatment, the Governors are reviewing all current systems on HT's estate and foresee that substantial expenditure will be required, mainly to separate the foul material from the rainwater. A programme of works is being undertaken as all the necessary consents are obtained.

For the time being, therefore, the Governors will continue to manage the garden and arboretum as at present.

Share Capital

HT is a company limited by guarantee, and therefore does not have share capital. The guarantee is provided by the Governors of HT and in the event of winding up the Governors have each undertaken to contribute to payment of liabilities such amount as may be required not exceeding a total of £1.

Accounts

These accounts have been prepared in accordance with the Articles of Association, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019), the Charities Act 2011 and the Companies Act 2006.

Financial Review

The Governors consider that HT has adequate liquidity to meet its liabilities. Its principal sources of income are investments, property rents and garden entrance fees. While investment income and property rents are relatively stable and easy to calculate, the Governors recognise that garden entrance income can be affected by economic conditions and the weather. However, since the actual garden income is known by early November each year, it is possible to adjust expenditure accordingly.

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Financial Review (continued)

It is certain that substantial funds will have to be raised to fund the sewage treatment works across the Estate as mentioned above and the amount required is still being assessed; the Governors will review the options available to raise these funds from the sale of investments or by borrowing.

Further details of income and expenditure are set out in the Statement of Financial Activities on pages 13 to 16 together with related notes.

Investments

The Articles of Association confers on HT powers to 'invest funds of the foundation not immediately required for its purposes in or upon such investments, securities or property as it may think fit.'

The Governors have established a policy to invest for the long term for capital growth on a medium risk basis.

All investments have been acquired in accordance with the powers conferred by the Articles of Association and conform to the policy set by the Governors. The investment portfolio is managed to maintain a balance between capital growth and income, with the risk spread widely and this is achieved by concentrating on Common Investment Funds, Fixed Interest Unit Trusts and one International Investment Trust purchased in consultation with HT's financial advisors, Charles Stanley & Co. Limited; since these are all mixed funds with a wide range of underlying holdings, the Governors consider that the question of an ethical policy for investments does not arise.

The Governors have delegated the overseeing of the portfolio to an Investment Committee consisting of Dr David E. C. Baring, Mr. Mark Bridgeman and Sir Walter Riddell, all of whom have substantial financial experience, under a written policy.

The Governors collectively review the investment performance of each fund formally against the relevant indices annually and the office monitors performance informally throughout the year. The value of HT's portfolio increased from £2,019,112 at 31st March 2020 to £2,587,310 at 31st March 2021.

Governors' Responsibilities

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

The Governors are required by company law to prepare the financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of HT and of the surplus or deficit of HT as at the end of the financial year.

The Governors confirm that suitable accounting policies have been used and applied consistently, they have observed the methods and principles in the Charities SORP, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2021. The Governors also confirm that applicable UK Accounting Standards have been followed and that the financial statements have been prepared on the going concern basis.

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

Risk Assessment

The Governors have developed a number of policies on risk management which are reviewed annually.

They consider the major risks facing HT are Public Liability and Employers Liability, Health and Safety, and Financial Management, and the following steps have been taken to mitigate those risks:

- (a) Public Liability is covered by insurance which is reviewed annually with HT's insurance brokers.

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Risk Assessment (continued)

- (b) Health and Safety is reviewed annually by an external consultant and the recommendations in his report are normally implemented. If any recommendation is not accepted a detailed note is filed regarding the decision and the reasons for it.
- (c) Under Financial Management, internal controls are reviewed annually on a sample basis in conjunction with our auditors. An annual budget of income and expenditure is prepared for the Governors' approval. All data held on the computer is backed up regularly and stored off site.

Financial Risk Management

The Governors have considered the financial risks HT faces. They consider liquidity to be the key risk. This is monitored through the regular review of a range of financial information, including annual budgets of income and expenditure.

Reserves

It is not HT's normal policy to hold revenue reserves which derive from an excess of normal income over normal expenditure; the Governors intend to spend the income available to them annually on HT's objectives. The reason for this is that the Governors consider that HT has sufficient liquidity to meet unforeseen liabilities; however, they are conscious that HT's assets should try to generate sufficient income to meet its day to day liabilities, all of which are vulnerable to inflation. The Governors may also accumulate some revenue reserves if they know that there is major expenditure of either a capital or revenue nature in the foreseeable future or if they wish to repay capital reserves previously drawn down.

The Governors are prepared to draw down on capital reserves to further HT's objectives if in their opinion, HT's overall financial position justifies it.

Provision of Information to Auditors

So far as each Governor is aware, there is no relevant audit information of which HT's auditors are unaware, and each Governor has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that HT's auditors are aware of that information.

Greaves, West & Ayre have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Signed on behalf of the Governors.



Mrs D. Spark



DATE: 16 October 2021

Howick Trustees Limited

CHAIRMAN'S REPORT 2020 / 2021

The 12 months of this accounting period have been subject to the most unusual pressures. We were fortunate that many of the worst effects of the pandemic did not have as direct an impact on our operations as they could have had.

The gardens and arboretum reopened in July 2020 and the second half of the year saw strong visitor numbers and in particular a higher number of families. This has continued into 2021 (despite a delayed opening with the winter lockdown). We have been fortunate to have an excellent team who have risen to the challenge of keeping the outdoor space open for visitors, once we were permitted to do so, by making the necessary adaptations to comply with legislation and keep everyone safe. Visitor numbers are now well ahead of 2019 with an increase in season tickets in particular. Next year we will have to aim to retain this interest in competition with holidays abroad. The introduction of a charge for children has brought in a little extra income and has been well accepted. This additional income will now be used to improve the offering to the young.

The gardens and arboretum themselves have needed some remedial works making up for the “neglect” during last year’s furlough period. This will be an ongoing issue and take time to bring all back into shape. We have been fortunate that since staff came back to work last summer we have not had to utilise the furlough scheme again. This summer has seen the return of the volunteers (double vaccinated) which has been enormously helpful. Work in the arboretum continues and the Garden and Arboretum Committee is now well established, meeting twice a year. It is clear no one is planning any collecting trips abroad at present. We remain closely connected with the team at Royal Botanic Gardens Edinburgh and Kew, and will plan with them when trips become a realistic possibility.

The two holiday let remain popular and this is an area for development. We have a large historic property portfolio, the preservation of which remains one of our charitable objectives. The costs associated with the maintenance of these properties is considerable and using selected properties from the portfolio for holiday lets will increase the income available for property maintenance along with providing local job opportunities.

This year saw the retirement of Judy Woodford and Dave Allen, who both have contributed hugely to Howick over the years and our thanks and best wishes follow them into a well-deserved retirement. Rather than trying to replace Judy’s expertise directly we have moved the day-to-day accounts to GSC Grays and the payroll to Greaves, West and Ayre. In her place Caroline Coley has been employed and tasked with keeping the estate office running, with Cheryl Spark, and developing the opportunities Howick offers. Dave Allen has been replaced with John Hutchinson (ex-Northumberland Estates Commercial Property department) who is tasked with managing the property building / repair projects and health and safety issues. GSC Grays continue to support our endeavours – Emma Smith has now gone on maternity leave (expecting twins in September!) and Jonny Morris and Jamie Jay have taken on the role at Howick. Some modernisation is in hand with BT agreeing to install fibre broadband to Howick (the works for which are underway) and the advent of Office365 in the estate office meaning we now have access to Teams and SharePoint. This has improved communication and the ability to manage things more effectively.

As the income stream have started to appear more robust we are now catching up with some of the backlog on property expenditure. Major property renovations are underway at Redsteads, the sewage works are complete for Scar Farm and Seahouses Farm, EPC works are done where applicable and EICR testing is underway across the board. The Main Hall sewage project will need to be done during the closed season 2022-2023 as the planning and permits have not come through in time for contractors and materials to be available this winter. We will proceed onto other sewerage projects in the meantime.

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CHAIRMAN'S REPORT 2020 / 2021 (continued)

We were able to open the visitors centre once again in August, for the first time in 18 months, with the new rooms. This has been well received with particularly positive comments regarding the Chinese wallpaper. We are now getting enquiries regarding room hire for functions and this is something to be developed in preparation for next year.

Looking back at where we were in March 2020 to where we are now, I am enormously grateful for the efforts of one and all in keeping everything going. We have been able to provide the wonderful environment that Howick offers for visitors to explore and enjoy, start to develop some new and interesting projects and keep up with much of the required maintenance that is required. We will continue to move things forward and providing things continue to stabilise I would hope we would have a more normal year next year.



Dr David E. C. Baring, Chairman

DATE: 16 October 2021

Howick Trustees Limited

Independent Auditor's Report to the Members of Howick Trustees Limited

Opinion

We have audited the financial statements of Howick Trustees Limited (the Charity) for the year ended 31st March 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

Other Information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report incorporating the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report incorporating the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to Report by Exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report incorporating the Director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations necessary we require for our audit; or

Responsibilities of Governors

As explained more fully in the Statement of Responsibilities, the Governors (set out on page 5), the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurances about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Howick Trustees Limited

The Extent to which the Audit was considered capable of Detecting Irregularities, including Fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with Governors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including legislation such as the Companies Act 2006, Charities Act 2011 and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, contacting the entity's solicitor for any details of non-compliance and inspected current year legal expenditure; and
- identified laws and regulations of particular relevance were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal control in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, including any fraud associated with revenue recognition, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- carried out a review of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in accounting policies and Note 8 – Fixed Asset Investments and Note 9 – Debtors were indicative of potential bias;
- traced a sample of rent from house and land and ticket income from garden and arboretum entrance fees from source documentation to nominal ledgers;
- agreed a sample of dividend income to information received from fund managers; and
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims against the Charity.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if any.

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Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the Charity's Governors, 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 Charity's Governors 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 Charity and its Governors as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Allister CA
Senior Statutory Auditor

For and on behalf of
Greaves West & Ayre
Chartered Accountants and Statutory Auditors
Berwick-upon-Tweed

DATE: 4 NOVEMBER 2021

Howick Trustees Limited

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31st March 2021

Current Financial Year

	Note	Unrestricted Revenue Fund	Unrestricted Capital Fund	Designated Fund	Restricted Fund	2021 Total	2020 Total
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	1	75,810	-	-	45,387	121,197	32,248
<i>Income from charitable activities:</i>							
Garden income		154,682	-	-	-	154,682	175,749
Woods income		172	-	-	-	172	-
<i>Income from other activities:</i>							
Gross rental income		308,739	-	-	-	308,739	337,132
Biomass income		45,534	-	-	-	45,534	31,611
Investment income		63,697	-	-	-	63,697	69,354
<i>Other income:</i>							
Other income		2,513	-	-	-	2,513	4,104
Total incoming resources		651,147	-	-	45,387	696,534	650,198
Expenditure on:							
<i>Costs of raising funds:</i>							
Rental property costs	2	274,400	24,471	-	-	298,871	251,276
<i>Expenditure on charitable activities:</i>							
Woodlands	2	82,521	19,112	-	-	101,633	81,046
Garden, arboretum and estate	2	260,807	34,198	-	45,387	340,392	636,741
Total expenditure		617,728	77,781	-	45,387	740,896	969,063
Net (expenditure) / income before gains (losses) on investments		33,419	(77,781)	-	-	(44,362)	(318,865)

Howick Trustees Limited

	Note	Unrestricted Revenue Fund	Unrestricted Capital Fund	Designated Fund	Restricted Fund	2021 Total	2020 Total
		£	£	£	£	£	£
Net (expenditure) / income before gains / (losses) on investments		33,419	(77,781)	-	-	(44,362)	(318,865)
Net realised gains on investment assets	8	-	-	-	-	-	124,297
Net realised gains on disposal of tangible fixed		-	856	-	-	856	-
Net unrealised gains/(losses) on investment assets	8	-	568,198	-	-	568,198	(526,090)
Net income / (expenditure)		33,419	491,273	-	-	524,692	(720,658)
Transfers between funds	13	(58,379)	58,379	-	-	-	-
Net movement in funds		(24,960)	549,652	-	-	524,692	(720,658)
Reconciliation of funds							
Fund balances brought forward at 1 st April 2020	13	9,466	3,678,208	-	-	3,687,674	4,408,332
Fund balances carried forward at 31st March 2021	13	(15,494)	4,227,860	-	-	4,212,366	3,687,674

There were no gains or losses in the year other than those noted above. All operations are continuing.

Howick Trustees Limited

Statement of Financial Activities (including Income and Expenditure Account) for the Year Ended 31st March 2021

Prior Financial Year

	Note	Unrestricted Revenue Fund	Unrestricted Capital Fund	Designated Fund	Restricted Fund	2020 Total
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	1	31,330	-	-	918	32,248
<i>Income from charitable activities:</i>						
Garden income		175,749	-	-	-	175,749
Woods income		-	-	-	-	-
<i>Income from other activities:</i>						
Gross rental income		337,132	-	-	-	337,132
Biomass income		31,611	-	-	-	31,611
Investment income		69,354	-	-	-	69,354
<i>Other income:</i>						
Other income		4,104	-	-	-	4,104
Total incoming resources		649,280	-	-	918	650,198
Expenditure on:						
<i>Costs of raising funds:</i>						
Rental property costs	2	246,889	4,387	-	-	251,276
<i>Expenditure on charitable activities:</i>						
Woodlands	2	62,841	18,205	-	-	81,046
Garden, arboretum and estate	2	450,829	39,994	145,000	918	636,741
Total expenditure		760,559	62,586	145,000	918	969,063
Net (expenditure) / income before gains (losses) on investments		(111,279)	(62,586)	(145,000)	-	(318,865)

Howick Trustees Limited

	Note	Unrestricted Revenue Fund	Unrestricted Capital Fund	Designated Fund	Restricted Fund	2020 Total
		£	£	£	£	£
Net (expenditure) / income before gains / (losses) on investments		(111,279)	(62,586)	(145,000)	-	(318,865)
Net realised gains on investment assets		124,297	-	-	-	124,297
Net realised gains on disposal of tangible fixed		-	-	-	-	-
Net unrealised gains/(losses) on investment assets		-	(526,090)	-	-	(526,090)
Net income / (expenditure)		13,018	(588,676)	(145,000)	-	(720,658)
Transfers between funds		(64,136)	64,136	-	-	-
Net movement in funds		(51,118)	(524,540)	(145,000)	-	(720,658)
Reconciliation of funds						
Fund balances brought forward at 1 st April 2029		60,584	4,202,748	145,000	-	4,408,332
Fund balances carried forward at 31st March 2020	13	9,466	3,678,208	-	-	3,687,674

There were no gains or losses in the year other than those noted above. All operations are continuing.

Howick Trustees Limited

Balance Sheet as at 31st March 2021

	Note	2021 £	2021 £	Restated 2020 £	Restated 2020 £
Fixed assets					
Tangible assets	6		1,153,719		1,172,265
Heritage assets	7		211,831		211,831
Investments	8		2,862,310		2,294,112
			4,227,860		3,678,208
Current assets					
Debtors	9	75,984		62,717	
Cash at bank		35,452		38,265	
		111,436		100,982	
Liabilities					
Creditors amounts falling due within one year	10	(126,930)		(91,516)	
Net current assets			(15,494)		9,466
Net assets			4,212,366		3,687,674
Funds of the charity:					
Unrestricted funds:					
Capital			4,227,860		3,678,208
Revenue			(15,494)		9,466
Designated fund			-		-
Restricted fund			-		-
Total funds	13		4,212,366		3,687,674

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to the members of the company. The financial statements on pages 13 to 31 were approved by the Governors on 16 October 2021 and were signed on their behalf by:

Dr David E. C. Baring  } Governor

Mark Bridgeman  } Governor

Company Number: 1208214

Charity Number: 504347

Howick Trustees Limited

Statement of Cash Flows for the Year Ended as at 31st March 2021

	Note	2021 £	2021 £	2020 £	2020 £
Cash used in operating activities	15		(8,131)		(117,548)
Cash flows from investing activities					
Purchase of tangible fixed assets		(61,128)		(152,462)	
Sale of tangible fixed assets		2,749		-	
Purchase of investments		-		-	
Sale of investments		-		200,000	
Interest income		7		243	
Dividend income		63,690		69,111	
			5,318		(656)
Cash flows from financing activities					
Repayment of the capital element of hire purchase contracts		-		(2,548)	
			-		(2,548)
(Decrease) / increase in cash and cash equivalents					
			(2,813)		(3,204)
Cash and cash equivalents at the beginning of the year			38,265		41,469
Total cash and cash equivalents at the end of the year			35,452		38,265

Relating to:

Bank balances and short-term deposits		<u>35,452</u>	<u>38,265</u>
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Howick Trustees Limited

Accounting Policies

Charity Information

Howick Trustees Limited (“HT”) is a private company limited by guarantee, incorporated in England and Wales and is registered with the Charity Commission under number 504347. The registered office is Howick Estate Office, Alnwick, Northumberland, NE66 3LB.

Basis of Accounting

The accounts have been prepared in accordance with the Charities Act 2011, the Companies Act 2016 and “Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)” (effective 1st January 2019). HT is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of HT. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Preparation of the Accounts on a Going Concern Basis

The accounts have been prepared on a going concern basis. HT has substantial net assets and continually manages cash reserves. Despite the uncertain economic outlook and the financial uncertainty around the willingness of the public to purchase admission tickets, visitor numbers continue to be strong and the Governors consider the going concern basis is appropriate. Accordingly, they have continued to adopt the going concern basis in preparing their annual report and accounts.

Income and Expenditure

Income is recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the income have been met;
- there is sufficient certainty that the receipt of the income is considered probable; and
- the amount can be measured reliably.

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates. Where costs are attributable to more than one activity, they are allocated on a reasonable and consistent basis, based on usage. Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

Employee Benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when HT is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Howick Trustees Limited

Accounting Policies (continued)

Fixed Assets

Tangible fixed assets are capitalised and included at cost where the purchase price generally exceeds £500.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their useful economic lives as follows:

Land	Nil
Buildings	2% of original cost
Car Park	4% of original cost
Biomass	4% of original cost
Visitor Centre and Artwork	3.33% of original cost and 10% of original cost
Plant and Machinery	15% reducing balance
Tractors	25% reducing balance

All assets are reviewed for impairment and written down to their recoverable amount, where necessary.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the net income / (expenditure) for the year.

Heritage Assets

Heritage assets consist of a number of paintings, prints, sculptures and other pieces which the Governors have deemed to be of historical and artistic importance that are held and maintained principally for their contribution to knowledge and culture.

Purchased heritage assets are valued at cost. Donated heritage assets are valued by the Governors based on their knowledge and experience and treated as deemed cost.

The heritage assets held are considered to have indefinite lives and are therefore not depreciated; as such their value is reviewed on an annual basis at the balance sheet date for impairment.

Expenditure which, in the Governors view, is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred.

Investment Properties

Properties held for investment purposes are shown at market value at 31st March 2021. Unrealised gains and losses are recognised in the Statement of Financial Activities as they arise. Depreciation is not charged on investment properties.

Quoted Investments

Quoted investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income / (expenditure) for the year. Transaction costs are recorded as expenses as they are incurred.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Howick Trustees Limited

Accounting Policies (continued)

Financial Instruments

HT has elected to apply the provisions of Section 11 “Basic Financial Instruments” and Section 12 “other Financial Instruments” of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statement, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic Financial Liabilities

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of Financial Liabilities

Financial liabilities are discharged when HT’s contractual obligations expire or are cancelled.

Pension Scheme

HT contributes to the employees’ personal pension schemes. Contributions are charged over the period to which they relate.

Fund Accounts

The revenue fund represents the income and expenditure incurred in the day to day running of HT.

The capital fund represents the value of the estate and investments held by HT which are separately identified in the accounts. Both of these funds are considered by the Governors to be unrestricted.

The designated fund represents unrestricted funds that have been set aside by the Governors for particular purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

The restricted fund represents funds received which are to be used in accordance with specific restrictions imposed by the donors. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Howick Trustees Limited

Accounting Policies (continued)

Critical Accounting Estimates and Areas of Judgements

In the application of HT's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Howick Trustees Limited

Notes to the Financial Statements for the Year Ended 31st March 2021

1 Donations and Legacies

	2021	2020
	£	£
Grants received (restricted fund)	45,387	918
Grants received	52,006	-
Other donations	23,804	31,330
	121,197	32,248

2 Resources Expended

	Direct Costs	Staff Costs	Support Costs	2021	2020
	£	£	£	£	£
Rental expenses	91,854	24,657	182,360	298,871	251,276
Woodlands	26,919	50,406	24,308	101,633	81,046
Garden, arboretum and estate	70,782	212,401	57,209	340,392	636,741
	189,555	287,464	263,877	740,896	969,063

3 Support Costs

	2021	2020
	£	£
Insurance	13,220	13,626
Rates	23,271	25,516
Equipment repairs and renewals	4,559	12,538
Professional costs	86,662	66,034
Office expenses	27,635	21,763
Non-Recoverable VAT	30,749	34,029
Depreciation	77,781	75,208
	263,877	248,714

Howick Trustees Limited

4 Governance Costs

Included within resources expended are governance costs as follows:

	2021	2020
	£	£
Audit fee	8,500	7,500
Staff costs	778	755
Other support costs	4,819	4,678
	14,096	12,933

5 Staff Costs

	2021	2020
	£	£
Salaries	253,612	253,150
Employers NI	10,737	11,567
Pension costs	23,115	22,963
	287,464	287,680

The average number of full-time employees during the year was 12 (2020: 12).

There were no employees who earned more than £60,000 during the year (2020: None).

No Governors received or were entitled to receive any emoluments for their services to the Charitable Company during the year (2020: None).

Remuneration of Key Management Personnel

Key management has been determined to be the Governors and the 3 members (2020: 3) of the senior management team. Governors receive no remuneration or benefits. The total remuneration of the senior management team excluding employers National Insurance costs was £68,610 (2020: £69,977).

Howick Trustees Limited

6 Tangible Fixed Assets

	Freehold Land and Buildings	Plant and Equipment	Tractors	Total
	£	£	£	£
Cost or Valuation				
At 1 st April 2020	929,029	752,766	165,436	1,847,231
Additions in the year	-	51,728	9,400	61,128
Disposals	-	-	(4,440)	(4,440)
At 31st March 2021	929,029	804,494	170,396	1,903,919
Depreciation				
At 1 st April 2020	266,626	279,236	129,103	674,965
Charges for the year	16,907	49,916	10,958	77,781
Charge for the year	-	-	(2,546)	(2,546)
At 31st March 2021	283,533	329,152	137,515	750,200
Net Book Amount				
At 31st March 2021	645,496	475,342	32,881	1,153,719
At 31 st March 2020	662,403	473,529	36,333	1,172,265

The Governors consider the current open market value of freehold land and buildings to be £12,200,000, all of which is treated as functional property.

7 Heritage Assets

	At Valuation	At Cost	Total
	£	£	£
At 1 st April 2020	-	211,331	211,331
Additions in the year	-	-	-
Disposals	-	-	-
At 31st March 2021	-	211,331	211,331

Howick Trustees Limited

7 Heritage Assets (continued)

Summary Analysis of Heritage Asset	2021	2020	2019	2018	2017
Transactions:	£	£	£	£	£
Purchases and additions	-	-	3,600	2,780	-
Donations	-	-	-	-	-
Total Additions	-	-	3,600	2,780	-
Charge for impairment	-	-	-	-	-
Total charge for impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Total Disposals	-	-	-	-	-
Proceeds from disposals	-	-	-	-	-
Total sale proceeds	-	-	-	-	-

HT has been left a legacy of historical papers known as the Grey Archive, currently on permanent loan to the University of Durham. The Governors have brought these into the accounts at a nominal valuation of £1 since no purpose would be served by incurring the expense of getting a professional valuation as the papers are unique and irreplaceable and are held as part of the HT's objects.

The Governors have not insured the Grey Archive since no purpose would be served by incurring the cost of the premium for these papers. The Governors have been informed that the Grey Archive is partly covered by Durham University's insurance policy.

Howick Trustees Limited

8 Fixed Asset Investments

	Investment Property £	Quoted Investments £	Total £
At Valuation			
At 31 st March 2020	275,000	2,019,112	2,294,112
Additions	-	-	-
Disposals	-	-	-
Valuation changes in year	-	568,198	568,198
At 31st March 2021	275,000	2,587,310	2,862,310
At Cost			
At 31st March 2021	29,600	1,199,896	1,229,496
At 31 st March 2020	29,600	1,199,896	1,229,496

The investment property relates to Howick Pipeworks. This commercial property was given to HT in 1979 by Lord Howick and was independently valued on an open market basis by Wardell Armstrong who have considerable experience in this area, on 20th August 2020. The area of about 22 acres is let on normal commercial rates to Tarmac; the site also contains a mobile telephone mast let on normal commercial terms to EE Ltd with T-Mobile and Vodafone as subtenants.

All real estate and quoted investments are held in the United Kingdom.

The quoted investments, which are listed below, are held through authorised Common Investment Funds, Unit Trusts and Investment Trusts.

Schedule of Investments at 31st March 2021

Security	Number of Units	Original Cost £	Valuation Gains / (Losses) in Year £	Market Value £
Blackrock Fund Managers Ltd BLK Charities UK Equity A	74,452	164,833	98,574	496,146
RIT Capital Partners Ordinary £1	57,600	539,638	342,144	1,382,400
M&G Charifund Income Units	23,050	143,706	63,837	339,404
Legg Mason Investment Funds – Global Multi Strategy Bond	130,317	167,709	13,136	138,267
Schroder Oriental Income Fund Ordinary £0.01	51,750	99,363	43,988	144,641
Aviva Investors UK SCVS Ltd Strategic Bond	85,664	84,647	6,519	86,452
		1,199,896	568,198	2,587,310

Howick Trustees Limited

9 Debtors

	2021	2020
	£	£
Trade debtors	56,498	41,248
Other debtors	14,036	16,855
Prepayments	5,450	4,614
	75,984	62,717

10 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	21,965	32,620
Other creditors	475	475
Payments received in advance	76,467	28,251
Accruals	28,023	30,170
	126,930	91,516

11 Financial instruments

	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	70,534	58,103
Equity instruments measured at cost less impairment	2,587,310	2,019,112
	2,657,844	2,077,215
Carrying amount of financial liabilities		
Measured at amortised cost	126,930	91,516

12 Taxation

HT, being a registered charity, is not liable to UK income tax, corporation tax or capital gains tax as long as the income it receives is applied to charitable purposes. There are therefore no tax charges in these accounts.

Howick Trustees Limited

13 Reconciliation of Movements in Funds and Net Assets

	Unrestricted Revenue Fund	Unrestricted Capital Fund	Designated Major Work Fund	Restricted Fund	Total
	£	£	£	£	£
Balance at 1st April 2020	9,466	3,678,208	-	-	3,687,674
Net (expenditure) / income in the year	33,419	491,273	-	-	524,692
Transfers between funds	(58,379)	58,379	-	-	-
Balance at 31st March 2021	(15,494)	4,227,860	-	-	4,212,366
Represented by:					
Fixed assets	-	4,227,860	-	-	4,227,860
Net current assets	(15,494)	-	-	-	(15,494)
Total Net Assets as at 31st March 2021	(15,494)	4,227,860	-	-	4,212,366

Unrestricted Revenue Fund

The Unrestricted Revenue Fund represents the free funds which are available for use at the discretion of the Governors in furtherance of the general objectives of HT.

Unrestricted Capital Fund

The Unrestricted Capital Fund represents the value of the estate and investments held by HT which are separately identified in the accounts.

Designated Fund

The Designated Fund comprises unrestricted funds which have been set aside at the discretion of the Governors in order to build up a fund for future anticipated major work projects.

Restricted Fund

The restricted fund is used by the Governors to classify correctly and record those funds subject to specific restricted conditions imposed by the donor.

Transfers between Funds

Transfers between the funds are discussed and approved by the Governors. A full description of the purposes of each fund held is given above.

The £58,379 transfer from the Unrestricted Revenue Fund to the Unrestricted Capital Fund has been carried out in order to realign the capital fund with the actual present value of the fixed assets that it represents.

Howick Trustees Limited

14 Transactions with Governors

HT rents 3 houses (2020: 3) from Lord Howick and 1 from Hon. David E.C. Baring (2020: 1) for employees and pensioners. Rent paid totals £20,196 (2020: £20,196) and £4,266 (2020: £4,266) respectively, which is materially lower than the rents advised as reasonable by HT's estate agents.

During the year, Hon. David E.C. Baring's employees performed work at cost on behalf of HT of £223 (2020: £1,127).

Lord Howick contributed £Nil (2020: £156) towards the cost of maintaining the party yew hedge between HT's garden and the West Wing garden.

HT employs two office staff and two woodmen part time; they also work part time for Howick Estate on separate contracts.

As at the 31st March 2021 £2,414 (2020: £1,971) remained due to HT from transactions with the Governors.

Lord Howick is deemed to be a related party due to him being a former Governor (until his retirement in 2019) and father of current Chair of Governors Hon. David E.C. Baring.

Office Expenses

HT shares the estate office with Howick Estate and therefore shares the associated costs. During the year ended 31st March 2021 Howick Estate paid £3,028 (2020: £3,260) in office expenses, Howick Farm and Estate paid £3,160 (2020: £3,260), a division to HT's advantage.

Electricity Expenses

In order to maximise better electricity tariffs with its suppliers, HT moved to the direct debit method of payment in order to settle its outstanding liabilities. In doing so, Lord Howick reimbursed HT £6,785 (2020: £6,200) for his related electricity expense for the year ended 31st March 2021.

Biomass Expenses

Following completion and commissioning of the Biomass Boiler System, HT is able to recharge Lord Howick his proportion of metered KW heat usage. During the year, Lord Howick reimbursed HT £6,789 (2020: £6,543) for biomass energy.

Governors Expenses

During the year no expenses were reimbursed to Governors (2020: None).

Howick Trustees Limited

15 Net Cash Flow from Operating Activities

	2021	2020
	£	£
Net movement in funds	524,692	(720,658)
Depreciation	77,781	75,208
(Gains) on disposal of tangible fixed assets	(856)	-
Investment income	(63,697)	(69,354)
Net unrealised losses on investment assets	(568,198)	526,090
Realised (gains) on investment assets	-	(124,296)
(Increase) / decrease in debtors	(13,267)	219,836
Increase / (decrease) in creditors	35,414	(24,374)
Net cash (absorbed) / generated from operating activities	(8,131)	(117,548)

16 Prior Year Adjustment

During the year and following a review of the Charity's SORP FRS 102, the Governors made the decision to reclassify the Charity's assets previously stated as Chattels and to record these separately on the balance sheet as Heritage Assets. Previous to this year, these assets were included within Tangible Fixed Asset Investment balances. No impact on the Charity's previously stated funds balances has been recorded as a result of this reclassification.

Howick Trustees Limited

Income and Expenditure Account for the Year Ended 31st March 2021

	2021	2021	2020	2020
	£	£	£	£
Income				
Rents from houses and land		308,739		337,132
Garden and arboretum		154,682		175,749
Biomass income		45,534		31,611
Interest		7		243
Investment income		63,690		69,111
Woods		172		-
Other Income		2,513		4104
Grants		97,393		918
Donations		23,804		31,330
		696,534		650,198
Expenditure				
Woodlands and sawmill	23,650		11,411	
Garden and arboretum	59,495		80,510	
Salaries and pension payments	287,464		287,680	
Rates and insurances	36,491		39,142	
Property repairs and renewals:				
Howick Hall	14,556		144,697	
Bathing House and Old School House	3,699		14,321	
Others	88,155		181,730	
Vehicle and equipment expenses	4,559		12,538	
Audit and accountancy	12,650		10,650	
Sundry and office expenses	58,384		57,792	
Professional fees	74,012		53,384	
	663,115		893,855	
Depreciation				
Buildings	16,907		16,907	
Tractor	10,958		12,099	
Plant and equipment	49,916		46,202	
		(740,896)		(969,063)
Operating Deficit for the Year		(44,362)		(318,865)

This schedule does not form part of the audited accounts.