

Registered Number: 02004021 (England and Wales)

**HAREWOOD HOUSE TRUST LIMITED**

**(A Company Limited by Guarantee)**

**Annual Report**

**and**

**Financial Statements**

**For the Year Ended 31 December 2021**

**HAREWOOD HOUSE TRUST LIMITED**  
**TRUSTEES' REPORT TO THE MEMBERS OF**  
**HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

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## HAREWOOD HOUSE TRUST LIMITED

### TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)

#### COMPANY INFORMATION

<u>Trustees</u>	David Lascelles, Earl of Harewood Diane Lascelles, Countess of Harewood Iwona Blazwick Jeremy Burton Paul Dolan Charles Sebag-Montefiore Emily Shard Rachel Mapplebeck Andrea Nixon Nima Poovaya-Smith Michael Bates (Appointed 6 July 2021)
<u>Chair</u>	Lady Emily Shard
<u>Trust Director</u>	Jane Marriott
<u>Company Secretary</u>	Martin Horbury ACMA
<u>Registered Office &amp; Principal Office</u>	Harewood House Harewood, Leeds, LS17 9LG
<u>Registered Company Number</u>	02004021
<u>Charity Registration Number</u>	517753
<u>Bankers</u>	NatWest Bank Plc Leeds City Office 8 Park Row, Leeds, LS1 1QS
<u>Solicitors</u>	Wrigleys Solicitors LLP 19 Cookridge Street, Leeds LS2 3AG
<u>Auditors</u>	Saffery Champness LLP Mitre House, North Park Road Harrogate HG1 5RX
<u>Investment Managers</u>	Cazenove Capital 1 London Wall Place, London EC2Y 5AU

## **HAREWOOD HOUSE TRUST LIMITED**

### **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

The Trustees submit their annual report and accounts for the Harewood House Trust Limited (the Trust) for the year ended 31 December 2021.

#### **Directors and Trustees**

The Trustees, who are also the directors of the Charity and who served during the financial period were:

##### Committee Membership at 31 December 2021

Michael Bates	<b>F</b>	
Iwona Blazwick		
Jeremy Burton	<b>A F C</b>	(Chair of Finance & General Purposes Committee)
Paul Dolan	<b>A F</b>	(Deputy Chair of the Board of Trustees, Chair of Audit Committee)
David Lascelles, Earl of Harewood	<b>N</b>	
Diane Lascelles, Countess of Harewood		
Rachel Mapplebeck		
Dr. Nima Poovaya-Smith OBE		
Andrea Nixon MBE		
Lady Emily Shard	<b>F</b>	(Chair of Trustees)
Charles Sebag-Montefiore	<b>A F C</b>	(Chair of Collections Committee)

**A** = member of Audit Committee

**F** = member of Finance & General Purposes Committee

**N** = member of Nominations Committee

**C** = member of Collections Committee

The Trustees who are also members of the Charity are Paul Dolan, Iwona Blazwick, Nima Poovaya-Smith, David Lascelles, Earl of Harewood and Diane Lascelles, Countess of Harewood.

Michael Bates, Chair of the Trust's subsidiary Trading Company Board was appointed as a Trustee in July 2021. Paul Dolan and David Lascelles, Earl of Harewood are also members of the Trading Board.

Sir Hugh Roberts, a former Trustee, is a member of the Collections Committee.

#### **Governing Document**

Harewood House Trust Limited is a registered Charity and a company limited by guarantee with each member's liability limited to £1,000. The Charity's governing document is contained in its Memorandum and Articles of Association dated 25 March 1986, last amended 15 January 2018. The Charity's principal legal advisers and auditors are shown on page 2.

#### **Structure, Governance and Management**

The Trustees may appoint any person as a Trustee provided that the maximum of fifteen is not exceeded. Any Trustee so appointed shall retire at the next annual general meeting but shall be eligible for re-election. Trustees will then retire by rotation every three years but will be eligible for re-election.

The Trustees meet at least biannually; in addition, there are four committees of Trustees, being the Finance and General Purposes Committee, the Audit Committee, the Collections Committee and the Nominations Committee.

## **HAREWOOD HOUSE TRUST LIMITED**

### **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

The Finance and General Purposes Committee meets at least biannually and its role is to supervise the assets, investments and all financial and administrative affairs of the Charity. It supervises budgetary matters and recommends approval of the annual budget to the Trustees, as well as reviewing the pay and remuneration of the Charity's key management personnel. The Audit Committee meets biannually; its role is to review the annual reports, accounts, auditors' reports and to report on them to the Trustees. It is also responsible for reviewing the effectiveness of internal controls and for the identification and management of risk. The Collections Committee manages any conflicts of interest arising in relation to the loan of collections to the Charity by the 7th Earl of Harewood's Will Trust, the Lascelles family or other family trusts. The Nominations Committee meets when required. The Trust Director is responsible for day-to-day management and implementing decisions of the Trustees.

The Charity owns all of the share capital of Harewood House Trading Limited, the activities and results of which are shown at note 22 on page 35. During the year ended 31 December 2021, Harewood House Trading delivered the non-primary purpose trading activities of the group. Harewood House Trading is fully consolidated within the group accounts, where applicable, which increases the level of turnover, assets and liabilities.

#### **Recruitment, Induction and Training of Trustees**

The Trust regularly reviews the balance of skills and experience of its Trustees. When required, due to Trustee retirements or the identification of skills and experience gaps, it seeks to identify and recruit suitable new Trustees through the Nominations Committee, from a diverse background.

On appointment, Trustees are given an induction to the work of the Charity and provided with the information necessary for them to perform their role successfully, including a copy of the governing document of the Charity, a copy of recent Annual Reports and the Charity Commission's guidance, "CC3a – The Essential Trustee: What you need to know" and its guidance on operating for the public benefit.

#### **Objectives and Activities**

In setting the objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. The Charity holds a lease for Harewood House and surrounding lands. The objectives of the Charity are:

- to preserve for the public benefit Harewood House, its ancillary buildings, gardens, arboreta, woodlands and park, which the Charity holds on long lease; and works of art that have been acquired by the Charity, or donated or loaned by the Earl of Harewood, the late 7<sup>th</sup> Earl of Harewood's estate or other family trusts;
- to promote the study of Harewood as a place of historic and cultural interest and natural beauty;
- to provide facilities for recreation and leisure time occupations;
- to advance the education of the public in the arts and sciences.

In order to achieve its objectives in the year ended 31 December 2021, the Charity undertook the following where possible within the restrictions caused by COVID-19:

- maintaining the historic buildings and gardens and continuing to conserve and interpret the collections;
- maximising access and quality service to all visitors, including those with disabilities;
- developing exhibitions, programmes, publications and educational activities to promote engagement with the collections;
- providing a range of events which are in sympathy with the inherent qualities of Harewood;
- encouraging public funding, corporate partnerships through sponsorship and fundraising activities to support the charity;
- invested in development of membership.

# **HAREWOOD HOUSE TRUST LIMITED**

## **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

### **Strategic Report**

#### **A - Achievements and Performance**

Whilst the effects of the Covid-19 pandemic continued to significantly affect all of our lives, Harewood was able to offer a safe haven for all those who visited; building great outdoor activity for the benefit of our audience's wellbeing; re-opening the House; and implementing programming that provoked our visitors into conversations about societal issues. The programme focused particularly on mental health and well-being, and diversity and inclusion, whilst extending the use of spaces across Harewood's site, and became a pivotal player in how our communities were spending their spare time. With the continued support of DCMS and Arts Council England's Culture Recovery Fund, as well as project support from Arts Council England for launching the next Harewood Biennial (Harewood's flagship programme), Harewood saw its highest recorded visitor numbers and loyal members, which gave the educational charitable Trust a vital boost in income to promote sustainable recovery from the ongoing financial impacts of Covid-19.

Harewood began 2021 with a view to making as much of the site accessible to as many people as possible, despite Covid-19 restrictions meaning that indoor areas may have to close, and alternating and frequently changing government guidelines. The Trust's agile gardens and creative team developed a new walking route, the *Three Parks Walk*, across two areas previously inaccessible to visitors, and extending it into existing areas, which created a three-mile wellbeing walk suitable for the whole family. As well as developing our visitor's experience of the site, it gave our Members new activities to do, encouraged everyone to get out in the open, and offered new viewpoints of Harewood's stunning landscape, previously unseen by many.

In March the Trust completed the restoration of the Terrace undercroft and balustrade, a project funded by Historic England and DCMS as part of their Programmes of Major Works from the Autumn of 2020. Further funding was received from Historic England through their Covid-19 Emergency Heritage grant. These funds were used for a Feasibility study for our walled garden.

Programming is key to ensuring our audience and member engagement is high and repeat visits are encouraged. The walking route was therefore boosted by two significant investments: first, a mindful outdoor exhibition from graphic artist Anthony Burrill, with support from Leeds MIND, encouraging visitors to explore the site whilst offering space and quiet to contemplate everything that was happening in the world, and second, a brand-new woodland play area for KS1 and 2-aged children to learn and explore in an imaginative, natural and fun way. We also invested in dedicated mental health and well-being training for our staff and volunteers, appointed 2 new mental health ambassadors, launched our second annual wellness week and we continued to promote our Employee Assistance Scheme, encouraging a culture of openness and support.

As the year continued, the Trust was able to explore indoor programming once more. Building on Harewood's ambition to address its difficult history, in order to encourage conversations around equality, diversity and inclusion, two new strands of exhibition activity were launched as part of *Open History*. The first was a commitment to exploring the stories of people from diverse backgrounds who have made a significant impact on Yorkshire, past and present, launching with the story of George 'Bertie' Robinson in association with Diasporian Stories Research Group. The second launch was for a brand-new *Craft Spotlight* series that would focus on an emerging artist of colour currently working in the UK. The Trust was also able to explore using the Church as an exhibition space for the first time in many years. Working with Churches Conversation Trust, Harewood and glass artist Chris Day presented a moving exhibition of the artist's works, including new commissions for Harewood exploring its history in the sugar trade and enslavement of people of colour.

Harewood's prominence in being open and honest about its past, and the Lascelles' commitment to sharing its history, have put Harewood amongst the most forward-thinking organisations in the country, tackling their difficult past, whilst encouraging greater openness and commitment to making a positive impact on society today. This led

## **HAREWOOD HOUSE TRUST LIMITED**

### **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

to Harewood's inclusion in a one-hour ITV documentary special, '*Has George Floyd changed Britain*', which aired a year after Floyd's murder, and a year after the Black Lives Matter movement became so prominent worldwide and in Channel 5 documentary series *1000 Years A Slave* with the actor David Harewood. Alongside this we worked on our ongoing learning projects with GCF and the British Museum, Leeds Curriculum and Bradford Prevent. Whilst our commitment to making the visitor experience more inclusive has led to our Dementia Friendly training, Autism Awareness review and our proud support of the Hidden Disabilities Sunflower Scheme.

During the autumn, we continued to think about how we can make a difference to the impending climate crisis, loss of natural habitat and the conservation needs of our 3 collections and heritage site. We continue to work with the Estate on their sustainability ambitions, whilst making the Trust's existing environmental activities more explicit. This includes initiatives such as 'no-dig' in the walled garden, the replacement of bedding plants with perennial planting and herbs, and confirming our commitment to craft and regenerative design for the Harewood Biennial in 2022; *Radical Acts*; *How Craft Heals*. Alongside this we improved the visitor environment with a new Bothy Teahouse, outdoor canopy and courtyard furniture made from ocean plastic waste.

2021 finished with a new acquisition for the collection from the inaugural Harewood Biennial: Max Lamb's commissioned rugs for the Yellow Drawing Room and very successful Christmas season for the Trust, welcoming back Leeds-based theatrical studio Lord Whitney. Lord Whitney were commissioned to create site-specific installation; '*Upon a Christmas Wish*', whilst alongside the beautifully imagined and narrative-based journeys through the House, new light trails were added to parts of Harewood's parkland, allowing its walkways to be used more extensively in the winter months and allowing visitors to explore more of the site after dark with longer opening hours than ever before.

We were overwhelmed by the support of individual donors over the last twelve months, responding to the financial losses of the charity during the pandemic, visitors chose to top up their ticket purchases online, donate in person or join our Adopt a Book Scheme, directly supporting the ongoing conservation of the Designated Collections

The immense efforts of the team and volunteers to ensure that Harewood stays relevant to our audience during difficult times, and to create a space where everyone could find joy and wellbeing, led to a £204,029 increase on targeted visitor income for the charity, an uplift to Membership of £69,569 and a Membership renewal rate exceeding expectations of 74.6%. Maximising on the audience experience through retail and Harewood's food and drink offer also gave the business a boost of £448,237, 74% above the expected budget, despite only re-opening part way through the year. Online retail sales grew by 11% on the previous year and a new series of premium experiences and workshops generated a healthy return. Ongoing Covid-19 restrictions led to the postponement of many planned outdoor events but this loss was compensated by new opportunities, including a drive-in cinema, an outdoor run of the West End musical '*Mamma Mia!*', and the Picnic Proms series – all planned from the outset with social distancing in mind. All these successes mitigated against areas of continued loss, including the Group Booking market being one of the last to return to operation following the worst of the pandemic, and Education bookings being cancelled due to strict school guidelines on operating outside the classroom.

In addition, operational changes made during 2020 ensured that the Trust could act in a more agile, flexible way throughout 2021, maximising every penny of charity income, with advance ticketing continuing throughout the period, enabling better-planned administration and financial control, and ensuring that new staff appointments were focussed on areas that were going to be highly-effective to the business, such as Membership. In spite of Covid-19, the team, including so many incredible volunteers at Harewood, worked tirelessly to ensure we stayed open, exciting and relevant for our communities and audiences from far and wide. Whilst the pandemic undoubtedly had an impact on the well-being and resilience of the team, and society as a whole, the enthusiasm and loyal support of our Members for Harewood, grew from strength-to-strength, putting Harewood in a strong and resilient place amongst its industry colleagues in how it can now define and develop its future.

## **HAREWOOD HOUSE TRUST LIMITED**

### **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

#### **B - Financial Review**

The results for the year ended 31 December 2021 are shown on page 17 in the consolidated statement of financial activity (incorporating the income and expenditure account). Net assets have increased to £18,113,060 from £17,698,087 a movement of £414,973 inclusive of all donations and unrealised gains on investments. The results for the year and the balance sheet of Harewood House Trading Limited are shown at note 22 (page 35), and the results are consolidated within these accounts.

Overall income from day visitor and membership admissions increased by 55% from the prior year to a total of £2,048,988 (2020- £1,322,653). Within this number, visitor and membership admissions under gift aid was up on prior year at £776,721 (2020- £743,959). These increases in income are due to the gradual return to full operations after the restrictions imposed by COVID-19 in 2020. Costs of generating voluntary income decreased to £1,001,507 (2020- £1,258,038). Fundraising and trading costs increased to £1,313,266 (2020- £779,426). This increase in costs due to the higher levels of activity following the pandemic. Expenditure on charitable activities increased to £1,694,980 (2020 - £1,553,818).

The Trust's trading activities (events, retail, catering and film work) generated a surplus of £308,150 for the year (2020- £18,069).

The overall consolidated surplus of the charity for the year was £414,973 (2020- deficit £340,519), which included non-admissions related grants and donations of £975,207 (2020 - £1,452,835) as shown in Note 4. This includes £19,297 (2020 - £192,631) of income from the Coronavirus Job Retention Scheme (CJRS).

The unrestricted endowment fund (comprised of Heritage Assets) at 31 December 2021 was valued at £10,088,916 (2020- £10,088,916). The Endowment Fund, established in 2015 was valued at £3,001,297 at 31/12/2021 (2020 - £2,742,926). £304,781 has been used from the restricted fund during the year leaving a balance at 31 December 2021 of £563,185 (2020- £867,966).

There are £11,501,050 (2020 - £11,501,050) of heritage works of art which are maintained and displayed for the public benefit. These were last valued during 2016. These assets represent a small proportion of the works of art made available by the Trust for the public benefit, the rest of which are loaned to the Trust from the estate of the 7<sup>th</sup> Earl of Harewood, other Lascelles family trusts and family members.

#### **C – Investment Policy & Investment Performance**

The power to appoint investment managers is reserved to the Board of Trustees on the recommendation of the Finance & General Purposes Committee. The latter has responsibility for monitoring investment managers and for conducting a review of investment performance.

Following the creation of the Endowment Fund in December 2015, Cazenove Capital Limited were appointed investment managers in 2016 and the funds were invested in accordance with the investment policy and objectives.

The investment objective for the Trust's Endowment Fund is to maximise income to support the ongoing activities of the Trust whilst maintaining the value of the capital. This involves an acceptance of medium to high risk and is likely to mean that the capital value will fluctuate.

The investment objective for the Trust's Capital & Projects fund is to ensure assets are readily available to meet planned, and any emergency, capital and project costs and is held in cash.

The investment objective for the Trust's short-term reserves, also held in cash, is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet unanticipated cash flow requirements.

## **HAREWOOD HOUSE TRUST LIMITED**

### **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

In February 2021 it was approved that the entire investment portfolio should be switched into Cazenove's Responsible Multi-Asset Fund (RMAF). This was implemented in April 2021.

The Finance & General Purposes Committee regularly review performance with the investment managers. The Committee was satisfied overall with the performance of the investment portfolio during the year, taking account of the general market uncertainties.

In 2021 dividends and interest were received from the fund of £86,130 (2020 - £85,536).

#### **D – Reserves policy**

Harewood House Trust Limited is reliant on the following sources of income:

- Donations and admissions income from visitors and from Harewood members
- Investment income generated from the Endowment Fund (which had a capital value of £3.0m at 31<sup>st</sup> December 2021)
- Profits generated by Harewood House Trading through events facility fees, catering, retail and other non-primary purpose income.
- Other sponsorship, grant and donation income.

As at 31 December 2021, the Trust had total funds of £18,113,060. This includes a restricted Endowment Fund of £3,001,297. The reserves shown as an unrestricted endowment fund of £10,088,916 could only be realised by disposing of the Trust's tangible fixed assets (including heritage assets).

The Trustees have reviewed the circumstances of the Trust and consider that it has access to adequate resources to be able to fund its operations for the foreseeable future. However, to reduce reliance on related party support, the Trustees have a target to maintain free reserves of at least one fifth of budgeted visitor admissions income to enable the Trust to deal with fluctuations in income levels. At 31 December 2021, the Trust had net current assets of £204,792 (2020- £129,330), against a free reserves target of £422,762.

#### **E – Principal Risks and Uncertainties**

The Trustees continually assess the risks to which the charity is exposed and are satisfied that systems are in place to mitigate those risks and also to minimise or manage any potential impact on the Trust should those risks materialise. The principal risks and uncertainties identified are shown below, with actions to address those risks. The Trust's Risk Register is reviewed as an ongoing agenda point for Senior Management Meetings and Trustee Committee meetings.

##### **Risk of damage or loss to the House & Collections**

The Trust has put in place and regularly reviews and updates: comprehensive security systems; systems designed to prevent and detect potential damage in particular to the House and its collections by fire, flood or other peril; emergency disaster and evacuation plans; expert advised care, maintenance and restoration plans. Insurance cover is in place and regularly reviewed to ensure that it remains appropriate.

##### **Reputational and public liability risks**

There are potentially serious reputational impacts (including reduced visitor numbers or event bookings; disruption to opening; prosecutions or fines) resulting from an incident, accident or general poor performance concerning either the Trust's own operations or a third party hosted event. The Trust's approach to addressing these risks includes: health & safety systems and procedures; staff training; a focus on the management and maintenance of

## **HAREWOOD HOUSE TRUST LIMITED**

### **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

the physical areas open to visitors; close monitoring of the outsourced catering partners; careful management of third party event contracts; proactive public relations plans in the event of an incident; seeking and monitoring feedback from visitors; and maintaining public liability insurance.

#### **Economic risks**

Income levels are strongly impacted by visitor and membership numbers, which in turn are affected by weather. The Trust will develop and improve the visitor offer and to seek ways to mitigate the risk of reliance on visitors by diversifying income streams from Trading and Fundraising. Financial risks from running events have been effectively transferred to third parties as the Trust receives a facility fee for externally organised events at Harewood. The establishment of the Endowment Fund in 2015 is helping to provide additional income to contribute towards the Trust's operational revenue. The Trust will increasingly seek opportunities for grant funding in order to reduce reliance on support from the Harewood Estate and/or family members.

The Trust is also exposed to price or liquidity risk through changes in interest rates and to the credit risk of the securities it holds. Equity holdings within the investment portfolio are subject to market volatilities. The Trustees have appointed qualified investment managers to manage these risks.

#### **Conflicts of interest risks**

The necessarily close relationship of the Trust with the Harewood Estate and related family members brings risks of conflict of interest with family Trustees. Actions taken to address these risks include: formal agreements to govern the relationship and transactions between the Trust and Estate; maintaining a conflicts of interest register; maintaining detailed records of transactions between the Trust, Estate and family members which are reviewed by independent Trustees on the Finance & General Purposes Committee; an employee Whistleblowing Policy; ensuring independent Trustees take decisions on any matters with a potential conflict; and receiving ongoing guidance from legal advisers and formal loan agreements for works of art placed on loan by the Lascelles family.

In order to indemnify the Trustees against the consequences of neglect or default on their part, the Charity has purchased indemnity insurance. The cost is shown on page 28, note 13.

#### **Covid-19 Pandemic**

The Covid-19 pandemic in 2020 presented a number of potential risks that were consistently reviewed by Trust management and a Recovery Plan was put in place. During 2021 some of the initiatives implemented in the Recovery Plan helped to both increase revenues and reduce costs. The Trust was successful in obtaining grant funding from the Cultural Recovery Fund which helped support a range of projects that further aided income generation and in some areas was budget relieving.

## HAREWOOD HOUSE TRUST LIMITED

### TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)

#### F – Plans for future periods

Harewood has many exciting plans for 2022, and with the end of Covid restrictions, will see a return to many of its pre-pandemic activities, as well as a renewed commitment to using the incredible collections and grounds at Harewood to address ongoing urgent issues of our time; health and well-being, the environmental crisis and greater diversity and inclusion.

Following 2021's Winter Weekends sell-out to Members with drastically reduced capacity – 2022 will see this winter opening expanded to include the House and full access to the Grounds, Gardens and Bird Garden on Fridays, Saturdays and Sundays throughout January to late March, including full opening throughout half-term week. An exhibition on Princess Mary, the former Princess Royal and Countess to the 6th Earl of Harewood, will celebrate 100 years since their marriage.

A year later than originally planned, the *Harewood Biennial* will return from late March right until the end of the summer season. 'Radical Acts: Why Craft Matters' will once again welcome artists, makers and studios to explore issues of the environment and sustainability, community, and equality, diversity and inclusion through craft and craftsmanship. This flagship programme has already received Arts Council England project grant funding of £63,000, which has enabled Harewood to commission makers and artists who may not have otherwise had commissions due to the pandemic.

As part of the Biennial, there will be a renewed commitment to developing Harewood's outdoor offer, offering an opportunity to highlight Harewood's ambitions to help better address the climate crisis. A specially commissioned treehouse from environmentalist and designer Sebastian Cox will be built in the woodlands adjacent to the North Park Walk, further expanding this new area of the site but also providing a learning space to educate around forestry management, whilst two areas of outdoor seating will extol the use of hemp and recycled plastics to create objects with zero carbon impact and reuse of existing materials.

Heading into the Autumn, Harewood's *Open History* series will continue, focusing on Leeds Carnival founder Arthur France to coincide with the launch of a newly commissioned Portrait series for the Collection. Whilst Harewood's Winter Festival will see the House once more re-imagined by artists commissioned to reflect Harewood's stories or ambitions creating a truly unique, thought-provoking yet inspiring festive experience. Outdoor lighting will be developed further to enable people to enjoy more of the site after dark – something that has been a great benefit to visitors and the Trust alike since 2020.

Funding for a new digital masterplan, with inclusion at its heart, will be sought, following an in-depth study and strategic plan for Harewood's digital future created with the support of the Cultural Recovery Fund in 2021. Engaging audiences online – new and current – is strategically more important than ever as digital channels continue to grow as story-telling and knowledge development platforms for all. This applies as much to our 300 strong volunteer base, as well as existing and new audiences.

Throughout Harewood's programming, and indeed throughout all of the charity's strategic ambitions, equality, diversity and inclusion remain at the forefront of Harewood's agenda, using the Collections, House and its history as a lens through which we can contribute to and encourage conversations around racial injustice and discrimination. In 2022, Harewood will develop its monitoring of the diversity of its audiences and staff, and will set out new KPIs to ensure we best welcome audiences that better represent the local population, making more people feel welcomed and represented, as well as ensuring that Harewood's team of staff, volunteers and Trustees reflect this too.

## **HAREWOOD HOUSE TRUST LIMITED**

### **TRUSTEES' REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

Programming will also support a renewed Membership strategy, laying out plans to best engage and retain current Members, whilst attracting new Members to Harewood too. Membership continues to form a critical backbone of Harewood's charity income – the more secure Harewood's Membership is, the greater the security and sustainability the organisation has. Loyalty from Members' ensures we not only conserve the collections and Grade 1 listed landscape and gardens, but use these to maximise our positive impact on our communities and education programmes which run continuously throughout the year. We greatly look forward to welcoming back more school visits again and our community partners, alongside the development of our project with Pauline Meyers, Leeds Playhouse and Fuel.

Outdoor events and filming projects are set to make a welcome return to Harewood, providing much-needed income to the Trust through its Trading company. The Great British Food Festival will extend to cover the entire Jubilee Bank Holiday weekend, VW Festival will return in August (for the first time since 2019) and filming projects across the estate are currently entering contract negotiation. In addition, outdoor concerts, including Michael Bubl  and Bryan Adams, will return to Harewood having been postponed from 2020. Harewood's Private Apartments will be opened to the public for the first time, initially for pre-booked tours only, and premium experiences and high-level food and drink opportunities will continue to be developed.

Finally, plans for Harewood's long-term future and site-wide developments, such as a new visitor centre and car park, restoring the Walled Garden, introducing new play and learning offers and other projects, will gain greater momentum as the Trust works with Masterplan Architects Haworth Tompkins to confirm the first phase and associated fundraising. Whilst Harewood House Trust is enjoying a successful period, it is a success that is not sustainable without significant investment in the site's infrastructure, which will enable it to grow its audiences, and to sustain the income required to serve its charitable purpose of preserving Harewood House for public benefit. The challenge will be to deliver all of this, against a UK-wide backdrop of rising costs, inflation and impact of living costs on disposable spend for our visitors. Harewood must remain relevant, offering great value for money, whilst using the Collections and Grounds to enrich everyone's lives.

**HAREWOOD HOUSE TRUST LIMITED**

**TRUSTEES' REPORT TO THE MEMBERS OF  
HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

**Statement of Trustees' Responsibility**

The Trustees, who are also directors of Harewood House Trust Limited for the purposes of company law, are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees 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 Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in Charities SORP (FRS102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement as to Disclosure of Information to Auditors**

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each Trustee has taken all the steps that they ought to have taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, including a strategic report, were approved by order of the Board of Trustees on 17<sup>th</sup> August 2022 and signed on their behalf by:

Chair and Trustee

  
.....

EMILY SHARD  
17<sup>th</sup> August 2022

## **HAREWOOD HOUSE TRUST LIMITED**

### **AUDITOR'S REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED**

#### **Opinion**

We have audited the financial statements of Harewood House Trust Limited (the 'parent charitable company') and its subsidiary, Harewood House Trading Limited (the 'group'), for the year ended 31 December 2021 which comprise the consolidated statement of financial activities incorporating the income and expenditure account, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and 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 affairs of the group and the parent charitable company as at 31 December 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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 group and parent charitable company 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 other 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 trustees' 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 group or the parent charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustees 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.

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 course of the audit or otherwise

## **HAREWOOD HOUSE TRUST LIMITED**

### **AUDITOR'S REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

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.

#### **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 Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic 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 group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the trustees (who are also the directors of the parent charitable 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, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charitable company'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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under those Acts.

## **HAREWOOD HOUSE TRUST LIMITED**

### **AUDITOR'S REPORT TO THE MEMBERS OF HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

Our objectives are to obtain reasonable assurance about whether the group and parent 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with trustees and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**HAREWOOD HOUSE TRUST LIMITED**

**AUDITOR'S REPORT TO THE MEMBERS OF  
HAREWOOD HOUSE TRUST LIMITED (CONTINUED)**

**Use of our report**

This report is made solely to the parent charitable 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 parent charitable company's members and trustees 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 parent charitable company, the parent charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Saffery Champness LLP*

.....  
Sally Appleton (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors  
Saffery Champness LLP  
Mitre House,  
North Park Road  
Harrogate  
HG1 5RX

Date: 30 September 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# HAREWOOD HOUSE TRUST LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 DECEMBER 2021

<u>NOTES</u>	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Endowment</u> <u>Fund</u> <u>£</u>	<u>Total</u> <u>31.12.21</u> <u>£</u>	<u>Total</u> <u>31.12.20</u> <u>£</u>
<b><u>Income and endowments from:</u></b>					
<u>Donations and legacies</u>					
4 Admissions under gift aid, donations and grants	1,030,561	721,367	-	1,751,928	2,196,794
<u>Income from charitable activities</u>					
5 Conservation and education	1,278,386	-	-	1,278,386	578,717
<u>Other trading activities</u>					
6 Retail, events and catering	1,049,811	-	-	1,049,811	476,174
7 <u>Income from investments</u>	86,130	-	-	86,130	85,587
<b><u>Total income and endowments</u></b>	<u>3,444,888</u>	<u>721,367</u>	<u>-</u>	<u>4,166,255</u>	<u>3,337,272</u>
<b><u>Expenditure on:</u></b>					
<u>Raising funds</u>					
8 Costs of generating voluntary income	903,186	98,321	-	1,001,507	1,258,038
9 Fundraising trading costs	1,267,887	45,379	-	1,313,266	779,426
11 Charitable activities	1,460,523	234,457	-	1,694,980	1,553,818
<b><u>Total expenditure</u></b>	<u>3,631,596</u>	<u>378,157</u>	<u>-</u>	<u>4,009,753</u>	<u>3,591,282</u>
Net (expenditure)/income	(186,708)	343,210	-	156,502	(254,010)
<b><u>Net (losses) /gains on investments</u></b>					
18 Unrealised gains / (losses) on revaluation of investment assets	-	-	258,471	258,471	(86,509)
<b><u>Net (expenditure)/income after (losses)/gains on investments</u></b>	<u>(186,708)</u>	<u>343,210</u>	<u>258,471</u>	<u>414,973</u>	<u>(340,519)</u>
23 Transfers	647,991	(647,991)	-	-	-
<b><u>Net movement in funds</u></b>	<u>461,283</u>	<u>(304,781)</u>	<u>258,471</u>	<u>414,973</u>	<u>(340,519)</u>
<b><u>Reconciliation of funds</u></b>					
Funds brought forward on January 1st	3,998,379	867,966	12,831,742	17,698,087	18,038,606
<b><u>Funds carried forward on December 31st</u></b>	<u>4,459,662</u>	<u>563,185</u>	<u>13,090,213</u>	<u>18,113,060</u>	<u>17,698,087</u>

The Statement of Financial Activity includes all gains and losses recognised in the year.

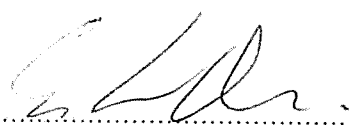
The notes at pages 22-40 form part of these financial statements.

**HAREWOOD HOUSE TRUST LIMITED**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	<u>NOTES</u>	<u>31.12.21</u>	<u>31.12.20</u>
		£	£
<b><u>Fixed assets</u></b>			
Tangible assets	17	1,297,315	1,592,809
Heritage assets	17	13,609,656	13,233,122
Investments	18	<u>3,001,297</u>	<u>2,742,826</u>
		<u>17,908,268</u>	<u>17,568,757</u>
<b><u>Current assets</u></b>			
Stocks	19	29,657	47,313
Debtors	20	321,407	637,218
Cash at bank and in hand		<u>410,972</u>	<u>211,498</u>
		762,036	896,029
<b><u>Liabilities</u></b>			
Creditors - amounts falling due within one year	21	(557,244)	(766,699)
		<u>(557,244)</u>	<u>(766,699)</u>
<b><u>Net current assets</u></b>			
		<u>204,792</u>	<u>129,330</u>
<b><u>Total assets less current liabilities</u></b>			
		18,113,060	17,698,087
<b><u>Net assets</u></b>			
		<u>18,113,060</u>	<u>17,698,087</u>
Financed by:			
<b><u>Funds of the charity</u></b>			
Endowment funds	23	13,090,213	12,831,742
Restricted funds	23	563,185	867,966
Unrestricted funds	23	4,459,662	3,998,379
<b><u>Total funds</u></b>			
		<u>18,113,060</u>	<u>17,698,087</u>

Approved and authorised for issue by the Trustees on 17th August 2022 and signed on their behalf by:



**EMILY SHARD - DIRECTOR**

Company registration number 02004021

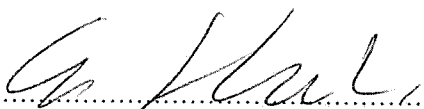
The notes at pages 22-40 form part of these financial statements.

**HAREWOOD HOUSE TRUST LIMITED**

**CHARITY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	<b><u>NOTES</u></b>	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
<b><u>Fixed assets</u></b>			
Tangible assets	17	1,203,122	1,526,053
Heritage assets	17	13,609,656	13,233,122
Investments	18	3,001,397	2,742,926
		<u>17,814,175</u>	<u>17,502,101</u>
<b><u>Current assets</u></b>			
Debtors		171,176	620,671
Cash at bank and in hand		357,312	133,188
		<u>528,488</u>	<u>753,859</u>
<b><u>Liabilities</u></b>			
Creditors - amounts falling due within one year		(259,954)	(580,075)
		<u>(259,954)</u>	<u>(580,075)</u>
<b><u>Net current assets</u></b>			
		<u>268,534</u>	<u>173,784</u>
<b><u>Total assets less current liabilities</u></b>			
		18,082,709	17,675,885
<b><u>Net assets</u></b>			
		<u>18,082,709</u>	<u>17,675,885</u>
Financed by:			
<b><u>Funds</u></b>			
Endowment fund	23	13,090,213	12,831,742
Restricted funds	23	563,185	867,966
Unrestricted funds	23	4,429,311	3,976,177
		<u>18,082,709</u>	<u>17,675,885</u>

Approved and authorised for issue by the Trustees on 17th August 2022 and signed on their behalf by:



**EMILY SHARD - DIRECTOR**

Company registration number 02004021

The notes at pages 22-40 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b><u>NOTES</u></b>	<b><u>31.12.21</u></b>		<b><u>31.12.20</u></b>	
		<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>	<b><u>£</u></b>
<b><u>Cash flows from operating activities</u></b>	1		535,376		35,533
<b><u>Cash flows from investing activities</u></b>					
Investment income received		86,130		85,587	
Payments to acquire tangible fixed assets		(422,032)		(374,203)	
Net cash used in investing activities			(335,902)		(288,616)
<b><u>Net Increase / (decrease) in cash and cash equivalents</u></b>	2		<u>199,474</u>		<u>(253,083)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

**1 Reconciliation of cash generated from operations**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Net incoming / (outgoing) resources	156,502	(254,010)
Investment income	(86,130)	(85,587)
	<u>70,372</u>	<u>(339,597)</u>
Depreciation	340,992	371,181
Decrease / (Increase) in stocks	17,656	(3,332)
Decrease / (Increase) in debtors	315,811	(453,777)
(Decrease) / Increase in creditors	(209,455)	461,058
	<u>535,376</u>	<u>35,533</u>

**2 Analysis of cash and cash equivalents and changes during the year**

**a) Analysis of cash and cash equivalents**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Cash at bank and in hand	410,972	211,498
	<u>410,972</u>	<u>211,498</u>

**b) Analysis of change in cash and cash equivalents**

Balance as at 1 January 2021	211,498	464,581
Increase / (Decrease) in net cash and funds	199,474	(253,083)
Balance as at 31 December 2021	<u>410,972</u>	<u>211,498</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

1 **Company information**

The company is a registered charity, number 517753 and a company limited by guarantee (registered number 02004021) which is incorporated and domiciled in the UK. The address of the registered office is Harewood House, Harewood, Leeds, LS17 9LG.

2 **Accounting policies**

(a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006 as modified by the inclusion of fixed assets at market value.

Harewood House Trust Limited meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These financial statements consolidate the statement of financial activity and the balance sheet of the charity and its group undertakings. The results are consolidated on a line-by-line basis. No separate statement of financial activity has been presented for the charity alone as permitted by section 408 Companies Act 2006. The group accounts comply with the Charities Act 2011.

(b) **Going concern**

The financial statements have been prepared on the going concern basis. The Trustees do not consider that any material uncertainties exist regarding the group's ability to continue its operations.

## HAREWOOD HOUSE TRUST LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2 Accounting policies continued

##### (c) Income

Income represents income receivable in the period comprising admissions, donations, special events, retail sales and catering income along with other income arising from the charity's principal activities.

Income from commercial trading is recognised on an accruals basis.

Investment income and income tax recovered on gift aid donations is recognised on a receivable basis.

Voluntary income including donations and grants are recognised where there is entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grant income is deferred when the donor specifies that the grant can only be used in a future accounting period or has imposed conditions to be met before unconditional entitlement.

##### (d) Volunteers

The value of services provided by volunteers has not been incorporated in the financial statements.

##### (e) Tangible fixed assets and heritage assets

Expenditure on assets less than £500 is not capitalised.

Heritage assets are recognised in the Financial Statements where reliable cost or valuation information is available.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life. The reducing balance method of depreciation had been used for some categories up to 2020:

Motor vehicles and tractors	-	20% straight line
Plant and machinery	-	10% - 20% straight line
Playground equipment	-	10% straight line
Heritage works of art	-	not depreciated
Heritage buildings & refurbishment	-	2% - 5% straight line
Biomass and other site improvements	-	4% - 10% straight line

Assets under construction are not depreciated.

##### (f) Stocks

Stocks are valued at the lower of cost or net realisable value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

2 **Accounting policies continued**

(g) **Investments**

Realised and unrealised surpluses and deficits on any investments are recognised in the statement of financial activities. Any income from investments is accounted for on a receivable basis. Where held, investments are stated at market value.

Cash and cash equivalents held on deposit with a maturity date of less than one year which are held for investment purposes rather than to meet short term cash commitments are classified as current asset investments. Such investments are measured at the value of the deposit at the balance sheet date.

(h) **Pensions**

The charity operates a defined contribution scheme under auto-enrolment, the assets of which are held separately to those of the charity. Contributions are charged in the income and expenditure account in the year in which they are paid.

(i) **Expenditure and allocation of support costs**

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered and classified under activity headings that aggregate all costs related to the category.

Costs of generating voluntary funds are the costs incurred in attracting voluntary income and the costs of the commercial trading operation.

Charitable activity costs include expenditure on repairs and maintenance of Harewood House, grounds and gardens, conservation of the bird collection, curatorial and conservation costs relating to works of art, and costs associated with exhibitions and educational programmes intended to advance public knowledge and enhance scholarly use of the collections. Governance costs are included in charitable activity costs, as are those associated with the statutory and constitutional requirements of the charity.

Support costs comprise the costs of management, the finance office, depreciation, site management and finance costs which cannot be directly attributed to an activity of the charity but nevertheless support those activities. Support costs are allocated to the activity costs on a basis which is consistent with the direct costs charged to those activities.

(j) **Irrecoverable VAT**

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

**3 Lease of Harewood House**

On 4 June 1986, the charity took an assignment of a short lease of Harewood House and surrounding land and on 12 December 1996 took a further assignment of a lease of the same property for a period of 99 years from December 1996. This lease was further extended on 30 November 2016 to run for 99 years and two days from that date.

**4 Donations and legacies**

**Admissions under gift aid, donations and grants**

	<u>31.12.21</u>	<u>31.12.21</u>	<u>31.12.21</u>	<u>31.12.20</u>	<u>31.12.20</u>	<u>31.12.20</u>
	<u>£</u>	<u>£</u>	<u>£</u>			<u>£</u>
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Admissions and Harewood Card and gift aid	776,721	-	776,721	743,959	-	743,959
Donation from Executors of the 7th Earl of Harewood and subsequent will trust	221,000	-	221,000	500,000	-	500,000
Cultural Recovery Fund	-	346,723	346,723	-	695,556	695,556
Historic England	-	296,127	296,127	-	-	-
Coronavirus Job Retention	-	19,297	19,297	-	192,631	192,631
Arts Council	-	31,380	31,380	-	3,305	3,305
National Heritage Lottery Fund	-	27,840	27,840	-	49,700	49,700
Other grant income	18,000	-	18,000	-	788	788
Other donations	14,840	0	14,840	10,855	-	10,855
	<u>1,030,561</u>	<u>721,367</u>	<u>1,751,928</u>	<u>1,254,814</u>	<u>941,980</u>	<u>2,196,794</u>

The income from the CJRS has been accounted for as restricted income in line with the related expenditure. The CJRS income has been spent in full during the year.

The funds donated in the year ended 31 December 2021 included £221,000 (2020 - £500,000) donated by the Executors of the 7th Earl of Harewood Will Trust. In 2020 and 2021 these were unrestricted to cover operational costs.

The Trust benefits greatly from the involvement and contributions of volunteers. In accordance with FRS102 and the Charities SORP (FRS102), the economic contribution of volunteers is not recognised in the accounts.

**5 Income from charitable activities**

<u>Conservation and education</u>	<u>31.12.21</u>	<u>31.12.20</u>
	<u>£</u>	<u>£</u>
Admissions and Harewood Card (non-gift aid)	1,272,267	578,087
Guide books and education	6,074	630
Bird adoption	45	-
	<u>1,278,386</u>	<u>578,717</u>

**HAREWOOD HOUSE TRUST LIMITED****NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2021****NOTES****6 Other trading activities**

<b><u>Retail, events and catering</u></b>	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Retail shops and cafes	538,719	252,438
Catering and courtyard events	202,905	74,713
Other events	213,181	35,936
Rents and filming income	73,016	48,315
Sundry	21,990	64,772
	<u>1,049,811</u>	<u>476,174</u>

**7 Income from investments**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Dividends	86,130	85,536
Interest	-	51
	<u>86,130</u>	<u>85,587</u>

**8 Costs of generating voluntary income**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Marketing and promotion	119,834	95,044
Operating costs	393,007	536,062
Support (see note 12)	483,433	621,749
Governance Costs (see note 13)	5,233	5,183
	<u>1,001,507</u>	<u>1,258,038</u>

The above includes £98,321 of restricted costs (2020 - £210,757)

**9 Fundraising trading costs**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Commercial trading operation	540,155	293,977
House and event operation	137,759	64,335
Development	41,909	51,416
Support (see note 12)	587,088	366,640
Governance Costs (see note 13)	6,355	3,058
	<u>1,313,266</u>	<u>779,426</u>

The above includes £45,379 of restricted costs (2020 - £97,272)

**10 Investment Management Costs**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Investment management fees	9,899	12,718
	<u>9,899</u>	<u>12,718</u>

These fees are deducted from the investment portfolio through cash generated.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTES**

**11 Analysis of expenditure on charitable activities**

	<u>Conservation of Harewood House and gardens</u> £	<u>Conservation of Bird Garden and collection</u> £	<u>Conservation of art and educational projects</u> £	<u>Total 2021</u> £	<u>Total 2020</u> £
Maintaining property open to the public	240,674	-	-	240,674	243,134
Exhibitions and educational programmes	-	-	244,926	244,926	119,121
Conserving collections	193,561	206,098	-	399,659	422,274
Marketing and events	39,945	19,972	19,972	79,889	63,361
Support (see note 12)	354,161	168,094	199,762	722,017	700,072
Governance costs (see note 13)	3,834	1,819	2,162	7,815	5,856
<b>Total 2021</b>	<b>832,175</b>	<b>395,983</b>	<b>466,822</b>	<b>1,694,980</b>	<b>1,553,818</b>
<b>Total 2020</b>	<b>921,258</b>	<b>390,413</b>	<b>242,147</b>		

All of the above expenditure includes £234,457 of restricted funds (2020 - £502,573) and is for the purpose of conservation of the House, gardens and collections which generate voluntary income and income from charitable activities.

**12 Analysis of support costs**

	<u>Security &amp; Site Services</u> £	<u>Head office and Finance Office</u> £	<u>Depreciation</u> £	<u>Bank charges and interest</u> £	<u>Total 2021</u> £	<u>Total 2020</u> £
Costs of voluntary income	378,252	18,698	84,133	2,350	483,433	621,749
Fundraising trading costs	459,356	22,707	102,172	2,853	587,088	366,640
Charitable activities:						
Harewood House and Gardens	277,108	13,696	61,636	1,721	354,161	417,837
Bird Garden conservation	131,522	6,501	29,254	817	168,094	175,938
Art conservation and education	156,300	7,726	34,765	971	199,762	106,297
	564,930	27,923	125,655	3,509	722,017	700,072
<b>Total 2021</b>	<b>1,402,538</b>	<b>69,328</b>	<b>311,960</b>	<b>8,712</b>	<b>1,792,538</b>	<b>1,688,461</b>
<b>Total 2020</b>	<b>653,699</b>	<b>660,514</b>	<b>371,181</b>	<b>3,066</b>		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

13	<b><u>Governance costs</u></b>	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Trustees' meeting expenditure	3,331	214
	Trustees' indemnity insurance	2,172	1,583
	Auditor's remuneration	13,900	12,300
		<u>19,403</u>	<u>14,097</u>

14	<b><u>Staff costs</u></b>	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
		<b><u>£</u></b>	<b><u>£</u></b>
	Wages and salaries	1,364,895	1,444,491
	National insurance	107,109	116,762
	Pension costs	51,087	51,900
		<u>1,523,091</u>	<u>1,613,153</u>

The Trust had two employees with remuneration and benefits in excess of £60,000 as follows:

	<b>2021</b>	<b>2020</b>
£60,000 to £70,000	1	-
£100,000 to £110,000	-	1
£110,000 to £120,000	1	-
Total	<u>2</u>	<u>1</u>

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The trustees receive no remuneration for their services. Meeting expenses are shown in note 13 above.

The key management personnel of the parent charity, the Harewood House Trust Limited, and the group comprise the Trustees, Trust Director, Director of Finance, Director of Collections, Director of Engagement, Commercial Director, Operations Manager, Head of Trading, Senior Engagement & Projects Manager, Head Gardener and Head of Bird Garden & Animal Experience

The total employee remuneration and benefits of the key management personnel of the Trust were £477,834 (2020- £473,894).

The Trust made no redundancy payments in 2021 (2020 - £18,535).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

14 **Staff costs (continued)**

The average monthly headcount was 82 staff, 46 permanent and 36 casual (2020- 82) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>No</u></b>	<b><u>No</u></b>
House & admissions	25	19
Bird Garden	5	5
Gardens	7	9
Retail & catering	7	4
Events	2	2
Support & management	13	16
Full time and full-time equivalents	<u>59</u>	<u>55</u>

15 **Operating deficit**

The operating surplus/deficit is stated after charging:	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Auditor's remuneration	13,900	12,300
Depreciation	340,992	371,181
Trustees' meeting expenses	3,331	214
Trustees' indemnity insurance	2,172	1,583

16 **Taxation**

- (a) Charity - 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 Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.
- (b) Subsidiary undertakings - No liability to UK corporation tax arose on ordinary activities for the year.

**HAREWOOD HOUSE TRUST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

<b>17 <u>Group tangible fixed assets</u></b>	<u>Heritage</u> <u>works of</u> <u>art</u> <u>(note 17 (a))</u>	<u>Heritage</u> <u>buildings &amp;</u> <u>refurbishment</u> <u>(note 17 (a))</u>	<u>Biomass</u> <u>installation</u>	<u>Plant and</u> <u>machinery</u>	<u>Playground</u> <u>equipment</u>	<u>Tractors &amp;</u> <u>Grounds</u> <u>Equipment</u>	<u>Assets</u> <u>under</u> <u>construction</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b><u>Cost</u></b>								
as at 1 January 2021	11,501,050	2,697,915	352,047	3,088,196	217,620	176,979	299,671	18,333,479
Additions	-	435,630	-	185,850	17,012	12,621	(229,081)	422,032
as at 31 December 2021	<u>11,501,050</u>	<u>3,133,545</u>	<u>352,047</u>	<u>3,274,046</u>	<u>234,632</u>	<u>189,601</u>	<u>70,590</u>	<u>18,755,510</u>
<b><u>Depreciation</u></b>								
as at 1 January 2021	-	965,843	79,374	2,097,001	188,315	177,015	-	3,507,548
Charge for the year	-	59,095	18,452	251,043	9,914	2,488	-	340,992
as at 31 December 2021	<u>-</u>	<u>1,024,938</u>	<u>97,826</u>	<u>2,348,044</u>	<u>198,229</u>	<u>179,503</u>	<u>-</u>	<u>3,848,540</u>
<b><u>Net book value</u></b>								
as at 31 December 2021	<u>11,501,050</u>	<u>2,108,607</u>	<u>254,221</u>	<u>926,002</u>	<u>36,403</u>	<u>10,097</u>	<u>70,590</u>	<u>14,906,970</u>
as at 31 December 2020	<u>11,501,050</u>	<u>1,732,071</u>	<u>272,675</u>	<u>1,039,285</u>	<u>29,305</u>	<u>(36)</u>	<u>299,671</u>	<u>14,874,021</u>

**HAREWOOD HOUSE TRUST LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****NOTES**

17 Cont'd <b>Charity tangible fixed assets</b>	<u>Heritage works of art</u> (note 17 (a))	<u>Heritage buildings &amp; refurbishment</u> (note 17 (a))	<u>Biomass installation</u>	<u>Plant and machinery</u>	<u>Playground equipment</u>	<u>Tractors &amp; Grounds Equipment</u>	<u>Assets under construction</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>Cost</b>								
as at 1 January 2021	11,501,050	2,697,915	352,047	2,943,468	217,620	176,979	299,671	18,188,751
Additions	-	435,630	-	129,381	17,012	12,621	(229,081)	365,563
as at 31 December 2021	<u>11,501,050</u>	<u>3,133,545</u>	<u>352,047</u>	<u>3,072,849</u>	<u>234,632</u>	<u>189,601</u>	<u>70,590</u>	<u>18,554,313</u>
<b>Depreciation</b>								
as at 1 January 2021	-	965,843	79,374	2,019,029	188,315	177,015	-	3,429,576
Charge for the year	-	59,095	18,452	222,010	9,914	2,488	-	311,959
as at 31 December 2021	<u>-</u>	<u>1,024,938</u>	<u>97,826</u>	<u>2,241,039</u>	<u>198,229</u>	<u>179,503</u>	<u>-</u>	<u>3,741,535</u>
<b>Net book value</b>								
as at 31 December 2021	<u>11,501,050</u>	<u>2,108,607</u>	<u>254,221</u>	<u>831,810</u>	<u>36,403</u>	<u>10,097</u>	<u>70,590</u>	<u>14,812,778</u>
as at 31 December 2020	<u>11,501,050</u>	<u>1,732,072</u>	<u>272,675</u>	<u>924,439</u>	<u>29,305</u>	<u>(36)</u>	<u>299,671</u>	<u>14,759,174</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

17 (a) **Heritage Assets**

The charity holds two categories of heritage assets in support of its charitable objectives, to preserve Harewood House, its ancillary buildings, surroundings and collections for the public benefit.

**Heritage building refurbishment**

Costs of £2,633,511 are included in the balance sheet, largely relating to the refurbishment of the "Courtyard" stables block in 2005 and 2006. These are recorded at the cost incurred by the charity and are depreciated over periods of 20 and 50 years. The Courtyard is open to visitors to Harewood House, as a café and retail outlet, with an education facility and with function rooms which are available to hire.

All buildings managed by the charity are subject to regular inspection and assessment of maintenance requirements.

The charity was assigned a 99 year lease of Harewood House and the surrounding land from December 1996 which was extended until 2115 in November 2016, but the value of this lease has not been capitalised because of the difficulty in providing a reliable valuation.

**Works of art**

These consist of certain works of art, furniture and mirrors, most of which were donated to the charity by the 7th Earl of Harewood. The charity also made some purchases. These items are of national significance due to their association with Harewood House.

There have been no Trust purchases or disposals in the last five years.

The Charity holds heritage works of art valued by Christies in 2016 at £11,501,050. The items are deemed to have indeterminate lives and a high residual value so the Trustees do not consider it appropriate to charge depreciation.

The Charity's works of art are displayed within the collections in Harewood House, which are open to the public, and are cared for by the Charity's curatorial team.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTES

18 **Group Investments**

At 31 December 2021 the Charity held listed investments with a valuation of £3,001,297.

During the year ended 31 December 2021, no increases or withdrawals were made to the externally managed portfolio. Movements shown below represent a fair value movement as reported by the fund manager.

**Charity investments**

Non listed investments held by the Charity relate to £100 investment in the wholly owned subsidiary company, Harewood Harewood House Trading Ltd. (2020: £100).

	<b><u>Charity</u></b> <b><u>31.12.21</u></b> £	<b><u>Charity</u></b> <b><u>31.12.20</u></b> £
Investment in subsidiary	100	100

**Listed investments**

	<b><u>Charity</u></b> <b><u>31.12.21</u></b> £	<b><u>Charity</u></b> <b><u>31.12.20</u></b> £
<b>Cost or valuation</b>		
as at 1 January 2021	2,742,826	2,829,335
Additions	-	-
Disposals	-	-
Unrealised gains / (losses) on revaluation of investment assets	258,471	(86,509)
as at 31 December 2021	<u>3,001,297</u>	<u>2,742,826</u>
<b>Carrying amount</b>		
as at 1 January 2021	<u>2,742,826</u>	<u>2,829,335</u>
as at 31 December 2021	<u>3,001,297</u>	<u>2,742,826</u>

All investments shown above are held at valuation. Investments at fair value comprise:

Equities	2,238,226	1,572,505
Bonds	249,498	491,607
Multi asset funds	-	114,388
Alternatives	443,279	510,175
Cash held within the investment portfolio	70,294	54,151
	<u>3,001,297</u>	<u>2,742,826</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

18 Investment (Continued)

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are on a net asset value basis. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

19	<b><u>Stocks</u></b>	<b><u>Group</u></b> <b><u>31.12.21</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>31.12.20</u></b> <b>£</b>	<b><u>Charity</u></b> <b><u>31.12.21</u></b> <b>£</b>	<b><u>Charity</u></b> <b><u>31.12.20</u></b> <b>£</b>
	Retail, catering and guide books	29,657	47,313	-	-
		<u>29,657</u>	<u>47,313</u>	<u>-</u>	<u>-</u>
20	<b><u>Debtors</u></b>	<b><u>Group</u></b> <b><u>31.12.21</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>31.12.20</u></b> <b>£</b>	<b><u>Charity</u></b> <b><u>31.12.21</u></b> <b>£</b>	<b><u>Charity</u></b> <b><u>31.12.20</u></b> <b>£</b>
	Trade debtors	287,626	217,150	137,395	200,603
	Prepayments	33,781	420,068	33,781	420,068
		<u>321,407</u>	<u>637,218</u>	<u>171,176</u>	<u>620,671</u>
21	<b><u>Creditors:</u></b> <b><u>amounts falling due within one year</u></b>	<b><u>Group</u></b> <b><u>31.12.21</u></b> <b>£</b>	<b><u>Group</u></b> <b><u>31.12.20</u></b> <b>£</b>	<b><u>Charity</u></b> <b><u>31.12.21</u></b> <b>£</b>	<b><u>Charity</u></b> <b><u>31.12.20</u></b> <b>£</b>
	Trade creditors	173,766	442,793	130,276	277,607
	Other creditors including social security and other taxes	48,923	62,544	8,593	14,633
	Accruals	124,055	143,643	121,085	287,835
	Event deposits in advance	210,500	117,719	-	-
		<u>557,244</u>	<u>766,699</u>	<u>259,954</u>	<u>580,075</u>

**HAREWOOD HOUSE TRUST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTES**

22 **Subsidiary Company - Harewood House Trading Limited**

The charity owns the whole of the issued ordinary share capital (100 shares of £1 each) of Harewood House Trading Limited, a company registered in England and Wales. The subsidiary is used for non-primary purpose trading activities.

All activities have been consolidated on a line by line basis in the statement of financial activity.

A summary of the results of the subsidiary is shown below.

**Summary profit & loss account**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	£	£
Turnover	982,116	366,337
Expenditure	(677,915)	(376,348)
Other income	3,947	28,080
Net profit	<u>308,148</u>	<u>18,069</u>
Gift aid donation	<u>(300,000)</u>	<u>(42,060)</u>
Profit / (Loss) after gift aid to parent company	<u>8,148</u>	<u>(23,991)</u>

**Summary balance sheet**

	<b><u>31.12.21</u></b>	<b><u>31.12.20</u></b>
	£	£
Fixed assets	94,192	66,756
Current assets	233,548	288,780
Current liabilities	(297,229)	(333,173)
Liabilities due after more than one year	-	-
Net assets	<u>30,511</u>	<u>22,363</u>
<b>Capital and reserves</b>		
Called up share capital	100	100
Profit and loss reserves	30,411	22,263
Shareholders' funds	<u>30,511</u>	<u>22,363</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**NOTES**

**23 Group funds**

**Reconciliation and analysis of movement in funds**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Permanent</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Endowment</u>	<u>Endowment</u>	<u>31.12.21</u>	<u>31.12.20</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Opening value of funds	3,998,379	867,966	2,742,826	10,088,916	17,698,087	18,038,606
Income for the year	3,444,888	721,367	-	-	4,166,255	3,337,272
Expenditure for the year	(3,631,596)	(378,157)	-	-	(4,009,753)	(3,591,282)
Investment (losses) / gains	-	-	258,471	-	258,471	(86,509)
Transfer	647,991	(647,991)	-	-	-	-
Closing value of funds	<u>4,459,662</u>	<u>563,185</u>	<u>3,001,297</u>	<u>10,088,916</u>	<u>18,113,060</u>	<u>17,698,087</u>
<b>Comparative 2020</b>						
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Permanent</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Endowment</u>	<u>Endowment</u>	<u>31.12.20</u>	<u>31.12.19</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Opening value of funds	4,187,466	932,889	2,829,335	10,088,916	18,038,606	17,505,749
Income for the year	2,395,292	941,980	-	-	3,337,272	4,322,246
Expenditure for the year	(2,780,680)	(810,602)	-	-	(3,591,282)	(4,039,642)
Investment (losses) / gains	-	-	(86,509)	-	(86,509)	250,253
Transfer	196,301	(196,301)	-	-	-	-
Closing value of funds	<u>3,998,379</u>	<u>867,966</u>	<u>2,742,826</u>	<u>10,088,916</u>	<u>17,698,087</u>	<u>18,038,606</u>

The permanent endowment fund of £2,500,000 was donated by the Trustees of the 7th Earl of Harewood Will Trust in the year ended 31 December 2015 and must be invested with the aim of generating the greatest possible income return, without unduly putting the capital at risk. Any income generated from the permanent endowment fund may be used for the general purposes of Harewood House Trust Limited, including to cover general running costs, and as such has been shown as unrestricted income. Capital must be invested with the aim of maximising income whilst maintaining the value of the capital.

The Restricted fund primarily relates to the 'Will Trust Projects Fund' to fund special projects including capital works, maintenance projects, exhibitions, education programmes and other similar projects. A donation of £1,500,000 was received in 2019. As there are no formal restrictions over the use of the assets and projects funded by this donation the £241,446 spent on eligible items in 2021 has been transferred from restricted to unrestricted reserves. A further £110,419 of the Cultural Recovery Fund Grant and £296,126 from Historic England was also invested in Capital Assets and transferred to unrestricted reserves.

**HAREWOOD HOUSE TRUST LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**NOTES**

**23 Group Funds Continued**

**Summary of Restricted Funds**

	<u>Opening Value</u>	<u>Income in Year</u>	<u>Expenditure in Year</u>	<u>Capital and maintenance Projects</u>	<u>Balance 30.12.21</u>
Will Trust Projects Fund	804,631	-	-	(241,446)	563,185
Cultural Recovery Fund	63,335	702,070	(358,860)	(406,545)	-
CJRS	-	19,297	(19,297)	-	-
<b>Total</b>	<b>867,966</b>	<b>721,367</b>	<b>(378,157)</b>	<b>(647,991)</b>	<b>563,185</b>
	<u>Opening Value</u>	<u>Income in Year</u>	<u>Expenditure in Year</u>	<u>Capital Projects</u>	<u>Balance 30.12.20</u>
<b>Comparative 2020</b>					
Will Trust Projects Fund	932,889	-	-	(128,258)	804,631
Cultural Recovery Fund	-	749,349	(617,971)	(68,043)	63,335
CJRS	-	192,631	(192,631)	-	-
<b>Total</b>	<b>932,889</b>	<b>941,980</b>	<b>(810,602)</b>	<b>(196,301)</b>	<b>867,966</b>

**Analysis of group net assets between funds**

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Permanent Endowment Fund</u>	<u>Unrestricted Endowment Fund</u>	<u>Total 31.12.21</u>
	£	£	£	£	£
Fixed assets	4,818,055	-	3,001,297	10,088,916	17,908,268
Net current assets / (liabilities)	(358,393)	563,185	-	-	204,792
<b>Total</b>	<b>4,459,662</b>	<b>563,185</b>	<b>3,001,297</b>	<b>10,088,916</b>	<b>18,113,060</b>

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Permanent Endowment Fund</u>	<u>Unrestricted Endowment Fund</u>	<u>Total 31.12.20</u>
	£	£	£	£	£
Fixed assets	-	-	2,742,826	14,825,931	17,568,757
Net current assets / (liabilities)	3,998,379	867,966	-	(4,737,015)	129,330
<b>Total</b>	<b>3,998,379</b>	<b>867,966</b>	<b>2,742,826</b>	<b>10,088,916</b>	<b>17,698,087</b>

**24 Financial instruments**

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
Financial assets measured at amortised cost	287,626	217,150
Financial liabilities measured at amortised cost	297,821	586,436

## HAREWOOD HOUSE TRUST LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### NOTES

#### **25 Transactions with trustees and connected persons**

The Trust entered into transactions with a number of companies that members of the Lascelles family have a direct interest. These transactions are with both Harewood House Trust and Harewood Trading Limited.

Harewood Estate is the trading name used by David & Diane Lascelles, Earl and Countess of Harewood, to manage the countryside surrounding Harewood House and a number of other commercial interests including property rentals.

David Lascelles, Earl of Harewood, and his son, the Hon. Benjamin George Lascelles, have direct interest in the following companies:

Harewood Energy Supply Co Limited  
Harewood Provisions Company Limited, t/a Harewood Food and Drink Project  
Harewood Farming Company Limited  
Harewood Holidays

Diane Lascelles, Countess of Harewood also has a direct interest in the Harewood Provisions Company and is a Trustee of the Geraldine Connor Foundation.

The Hon. Edward David Lascelles, son of David Lascelles, Earl of Harewood, has a direct interest in the Harewood Provisions Company and Harewood Holistics.

Sophie Lascelles, wife of The Hon. Edward David Lascelles, has a direct interest in Harewood Holistics.

Details of transactions with businesses in which the Lascelles family have an interest:

- (a) Transactions with Harewood Estate £4,313 (2020- £4,986)  
The Charity was reimbursed by the Harewood Estate for recharges of office expenses, and Corporate Membership cards.
- (b) Transactions with the Earl and Countess of Harewood £31,420 (2020- £63,574)  
The Charity recharged the Earl and Countess of Harewood for rent for the private apartments.
- (c) Transactions with Harewood Provisions Company £5,246 (2020 - £Nil)  
The Trust charged Harewood Provisions for produce from the Walled garden used in the cafes at the Harewood House.
- (d) Transaction between Harewood Trading and Harewood Estate £1,688 (2020 – Nil)  
The trading company charged the Estate a commission for referrals for Harewood Holidays and room hire.
- (e) Transactions between Harewood Trading and Harewood Provisions £102,406 (2020 - £40,873)  
The Trading company charged Harewood Provisions for commission due on income received from the catering facilities they operate at Harewood.
- (f) Purchases from Harewood Estate £218,948 (2020- £216,765)  
Harewood Estate recharged the Charity, at cost of £177,184 (2020- £171,778) for its share of security services provided to the Charity by a third-party specialist security organisation. Charges were also made at cost for fuel and repairs provided by the Estate.

## HAREWOOD HOUSE TRUST LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

- (g) Purchases from Harewood Energy Supply Co Limited £52,398 (2020- £104,878)  
Harewood Energy Supply Co Limited charged the Trust £52,398 (2020- £104,878) for biomass running costs. The charge per unit was based on cost, as assessed by an independent report.
- (h) Purchases from Harewood Provisions Company Limited £13,938 (2020- £1,414)  
Harewood Provisions Company Limited sells a range of drinks to the Charity at an approved commercial rate which is permitted by the Charity's Articles and charity law.
- (i) Purchases from Harewood Farming Company Limited £Nil (2020- £160)  
Harewood Farming Company Limited provide services and products to the Charity at an approved commercial rate which is permitted by the Charity's Articles and charity law.
- (j) Purchases from Harewood Holistics £2,591 (2020 - £Nil)  
Harewood Holistics provide services to the Charity at an approved commercial rate which is permitted by the Charity's Articles and Charity Law.
- (k) Purchases from the Geraldine Conner Foundation £3,780 (2020 - £Nil)  
The Geraldine Conner Foundation provided consultancy services to the charity.
- (l) Purchases by Harewood House Trading from Harewood Estate £1,995 (2020 - £Nil)  
Harewood Estate provides services to the Charity at an approved commercial rate which is permitted by the Charity's Articles and charity law
- (m) Purchases by Harewood Trading from Harewood Provisions Company £76,112 (2020 – Nil)  
Harewood Provisions Company charged the Trading company for catering services at an approved commercial rate which is permitted by the Charity's Articles and charity law.

David Lascelles, Earl of Harewood and Diane Lascelles, Countess of Harewood, are trustees of the late 7<sup>th</sup> Earl of Harewood's estate, which made donations to the Charity during the year of £221,000 (2020 - £500,000).

The lease of Harewood House and its surrounding lands was assigned at a peppercorn rent by David Lascelles, Earl of Harewood, and Diane Lascelles, Countess of Harewood.

Chair of Trustees, Lady Emily Shard is the daughter of David Lascelles, Earl of Harewood. She has a formal rental agreement for an apartment in the East wing of the house.

Transactions with Lady Emily Shard, £8,270 (2020 - £8,266)

Donations from the Executors of the 7<sup>th</sup> Earl of Harewood's Will Trust £221,000 (2020- £500,000)

The Charity received donations from the Executors of the 7<sup>th</sup> Earl of Harewood Will Trust during the year towards unrestricted operational costs. The 7<sup>th</sup> Earl of Harewood Will Trust also has a direct interest in Harewood Energy Supply Co.

#### Trustee expenses

In addition to the above, meeting and travel expenses of £Nil (2020- £214) were incurred by the Board of Trustees in carrying out their duties. These items represent a reimbursement of expenses at cost.

## HAREWOOD HOUSE TRUST LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### NOTES

#### **25 Transactions with trustees and connected persons (continued)**

At 31 December 2021 balances were as follows:

Owed to the Charity by:

Harewood Estate	£Nil	(2020- £45)
The Earl and Countess of Harewood	£7,855	(2020- £nil)
Harewood Provisions Company Limited	£5,026	(2020- £nil)

Owed to the Trading Company

Harewood Estate	£640	(2020- £nil)
Harewood Provisions Company Limited	£36,111	(2020- £14,197)

As the Charity and Trading company re-invoice other parties for services as described above, some invoices rendered near to the end of the Charity's financial year remain outstanding. These do not represent loans but are simply amounts outstanding as at 31 December 2021. In practice invoices are paid promptly, and these amounts were repaid shortly after the year end.

At the year end there were no outstanding intercompany trading balances between the Charity and Harewood Trading. There was, however, a balance of £31,482 of cash received into the Trust bank account for Trading related activity outstanding at the year end.

Owed by the Charity to:

Harewood Estate	£2,501	(2020- £4,435)
Harewood Energy Supply Co Limited	£18,915	(2020- £58,275)
Harewood Provisions Company Limited	£4,280	(2020- £19)
Geraldine Conner Foundation	£1,080	(2020- £nil)

Owed by the Trading Company to:

Harewood Estate	£96	(2020- £Nil)
Harewood Provisions Company	£21,330	(2020- £Nil)

Harewood House Trust recharge some costs to Harewood Trading Limited and vice versa. These costs primarily relate to payroll costs and other central costs.

Value of transactions between the companies

Harewood House Trust to Trading	£274,526	(2020 - £326,489)
Harewood House Trading to Trust	£205	(2020 - £5,793)