

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 2022**

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

Trustees

David Lascelles, Earl of Harewood  
Diane Lascelles, Countess of Harewood  
Arif Ahmad (appointed 19 September 2022)  
Michael Bates  
Iwona Blazwick  
Jeremy Burton  
Rachel Mapplebeck  
Andrea Nixon  
Nima Poovaya-Smith  
Emily Shard  
Paul Dolan (resigned 18 November 2022)  
Charles Sebag-Montefiore (resigned 25 May 2023)

Chair

Lady Emily Shard

Trust Director

Jane Marriott (until January 2023)

Chief Executive Officer

Rachel Crewes (from March 2023)

Company Secretary

Martin Horbury (resigned September 2022)  
Gemma Whitehead (appointed January 2023)

Registered Office  
& Principal Office

Harewood House  
Harewood,  
Leeds,  
LS17 9LG

Registered Company Number

02004021

Charity Registration Number

517753

Bankers

NatWest Bank Plc  
Leeds City Office  
8 Park Row,  
Leeds, LS1 1QS

Solicitors

Wrigleys Solicitors LLP  
19 Cookridge Street,  
Leeds  
LS2 3AG

Auditors

Saffery LLP  
Mitre House, North Park Road  
Harrogate  
HG1 5RX

Investment Managers

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 2022.

#### Directors and Trustees

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

		<u>Committee Membership at 31 December 2022:</u>
Arif Ahmad (appointed 19 September 2022)	<b>A F</b>	(Chair of Audit Committee)
Michael Bates	<b>F</b>	
Iwona Blazwick		
Jeremy Burton	<b>A F C</b>	(Chair of Finance & General Purposes Committee)
David Lascelles, Earl of Harewood	<b>N</b>	
Diane Lascelles, Countess of Harewood		
Rachel Mapplebeck		
Andrea Nixon		
Nima Poovaya-Smith		
Lady Emily Shard	<b>F</b>	(Chair of Trustees)
Paul Dolan (resigned 18 November 2022)	<b>A F</b>	(Deputy Chair of the Board of Trustees, Chair of Audit Committee)
Charles Sebag-Montefiore (resigned 25 May 2023)	<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 Iwona Blazwick, Nima Poovaya-Smith, David Lascelles, Earl of Harewood and Diane Lascelles, Countess of Harewood.

Michael Bates is Chair of the Trust's subsidiary Trading Company Board. David Lascelles, Earl of Harewood is also a member of the Trading Board.

Sir Hugh Roberts, a former Trustee, was a member of the Collections Committee until 25 May 2023.

Tabitha Barber joined the Collections Committee on 25 May 2023.

#### 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.

## HAREWOOD HOUSE TRUST LIMITED



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

#### Structure, Governance and Management (continued)

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.

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 37. During the year ended 31 December 2022, 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.

#### Key Management Personnel

##### Executive Team:

Chief Executive Officer	Rachel Crewes (from March 2023)
Deputy Chief Executive Officer	Kath Knight (from March 2023)
Chief Curator and Artistic Director	Darren Pih
Director of Finance and Operations	Gemma Whitehead (from January 2023)

In addition to the Executive Team, the Trust has a Senior Management Team comprising of: Head Gardener, Head of Learning and Access, Head of Commercial Operations, Development Manager, Operations Manager, Artistic Producer, Finance Manager, Visitor Experience Manager, Collections Manager and Registrar, Event Manager, Bird Garden & Animal Experience Manager, Membership & Marketing Campaigns Manager.

#### 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.

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

**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 2022, the Charity undertook the following where possible within the restrictions continuing due to the COVID-19 virus:

- maintaining the historic buildings and gardens and continuing to conserve and interpret the collections;
- maximising access and quality service to all visitors;
- 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.

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

Strategic Report

A - Achievements and Performance

Despite the concerns and restrictions of Covid at the start of year, 2022 was a year of considerable success, primarily in the number of visitors who chose to engage with the Trust's innovative programme and the growth of our membership. The positive response of our visitors and press to the Harewood Biennial, followed by the presentation of the first ever 'Missing Portraits' commission of Arthur France, founder of Leeds West Indian Carnival, contributed greatly to this success. 'Long Live the Christmas Tree!', which brought together artists, creative studios and makers to create trees in a diverse range of media, drawing inspiration from Harewood's history as well as environmental themes, was also well received. By end of the year we were 18% ahead of our record breaking 2021 visitor numbers and 15% ahead of associated income targets. Visitor numbers hit 290,000, an impressive 100,000 more than in 2018.

In spring, visitors and press responded positively to the second Harewood Biennial 'Radical Acts: Why Craft Matters', funded by the Arts Council. Curated by Hugo Macdonald, the exhibition consisted of 16 exhibitors, with 10 newly commissioned pieces across the House and Grounds. Each exhibitor tackled an issue of modern life with lateral thinking, addressing issues from social justice and equality to climate change and conservation, land use and landfill. A specially commissioned treehouse commissioned from environmentalist and designer Sebastian Cox was built in the woodlands adjacent to the North Park Walk, further expanding this new area of the site and also providing a learning space to educate around forestry management. The exhibition received universally positive feedback across press and media outlets, both support for the exhibition prior to its launch and the success of it once it had opened. Pieces of note include a double page spread in the Financial Times, features in The Guardian, The Daily Telegraph and The Yorkshire Post, as well as reviews in industry magazines and across the interiors sector.

In September, Queen Elizabeth II, the UK's longest-serving monarch, passed away at Balmoral aged 96, after a reign spanning 70 years. We had a wonderful exhibition in the Stewards Room celebrating her Platinum Jubilee, which was taken down and replaced by a display celebrating Her Majesty's life and association with Harewood.

The exhibition *Arthur France: Son of a Small Island* celebrating the life and achievements of Arthur France, the local community activist and founder of the Leeds West Indian Carnival also opened in the autumn. A close friend of Lord and Lady Harewood, it narrated France's life using archive items loaned from his family. The exhibition was enlivened using quotations from France and his family, adding the voices and lived experience of the Leeds Afro-Caribbean community to the interpretation texts.

The exhibition featured a portrait of Arthur France made by Leeds-based artist Ashley Karrell. The style of the portrait mimics the historic Grand Style portrait paintings within Harewood's collection, many of which depict members of the Lascelles family. This was the first in a new series of 'Missing Portraits' of prominent figures of Afro-Caribbean heritage who have connections to Harewood. It is designed to 'retrofit' the collection to address the lack of ethnic diversity within both the historic collection and broader narratives of European art history. Following the exhibition, the portrait of France entered the permanent collection and is displayed in the House.

We were delighted that Arthur France, his family and friends, as well as civic leaders were able to come together at Harewood House on 29 September to celebrate the exhibition.

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

A - Achievements and Performance (continued)

Working in collaboration with Little Bird Made, we hosted our first Winter Artisan Market in November, which took place across the North Front walk with its magnificent views over the house and park. The market, with over 110 independent traders, took place during the period when the house was closed to the public, enabling us to charge a reduced entrance ticket and encouraging a larger footfall. The event surpassed expectations, attracting over 8500 visits and achieving an additional £18k in admissions income more than target. Feedback was excellent from visitors and traders alike.

Following the inaugural market, we presented *The Christmas Tree is Dead, Long Live the Christmas Tree!*. Invited designers, artists, creative studios and makers created trees using a diverse range of media, drawing inspiration from Harewood's history, surroundings and environment. Building on the success of *Radical Acts*, it explored key themes from the exhibition including climate change and woodland management, alongside spectacular sculptures and immersive installations designed to appeal to a wide audiences at our busiest time of year. Many of the contributors were based in West Yorkshire, reflecting our commitment to support the diverse artistic cultural economy of the region. The Christmas opening was the focus of a Christmas special for Channel 4, giving us some significant PR and profile.

Membership continued to grow, with an excess of 30,000 members by the end of the year, over a 50% increase since 2018. Retention was also at an all-time high too, with 79% of members renewing during the year. They now represent the majority of visitors, accounting for nearly 60%. Over 600 new members joined in Nov-Dec alone, with over 93% existing memberships renewed. Generating just short of £1m of income (including gift aid) and over 50% of total visitor income, members have never been more important.

The Trust continues to be regulated by the Fundraising Regulator, confirming our commitment to follow the Code of Fundraising Practice and the Fundraising Promise. 2022 saw the departure of the Development Manager but this role was recruited post year end with renewed focus on capital development fundraising and further expansion of our fundraising goals.

Commercial income continued to outstrip pre-pandemic levels. Visitor spend on site was up 35% on the previous year. We saw highest income results in a decade for outdoor events, with concerts featuring Michael Bublé and Bryan Adams; and also retail and catering, with over £1m sales generated from food and beverage alone. There was considerable filming activity across greater Harewood, with feature films being filmed at the Castle and Stockton Grange farm, with the house and church being used for BBC's *Gentleman Jack*.

The year has not been without its challenges, in particular the effect of the drought on the ecology and visitor experience around our Lake, caused by the declining levels of water and exacerbated by a broken sluice gate. Ongoing work continues to find a suitable repair solution.

Despite successive growth in income over the past 6 years, 2022 also proved to be a tumultuous year, both politically and economically. This has a direct impact on rising costs, the greatest challenge to our future financial resilience. To continue to support the growth in income and in particular unrestricted income from Members, we identified the need to further invest in our fundraising capabilities to compensate for rising costs. As part of this, we applied to become an Arts Council National Portfolio Organisation and whilst we were unsuccessful this time, it indicated our ambition and will enable us to focus and develop our strategic priorities.

In late 2022, the Trustees took the decision to close the Bird Garden in 2023, rehouse the collection in zoos better fit for purpose and relandscape the area to actively encourage greater indigenous wildlife.

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

**B - Financial Review**

The results for the year ended 31 December 2022 are shown on page 19 in the consolidated statement of financial activity (incorporating the income and expenditure account). Net assets have decreased to £17,880,568 from £18,113,060 a movement of £232,942 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 37), and the results are consolidated within these accounts.

Overall income from day visitor and membership admissions increased by 9.4% from the prior year to a total of £2,241,618 (2021 - £2,048,988). Within this number, visitor and membership admissions under gift aid was up on prior year at £897,482 (2021 - £776,721). These increases in income are due to the continued return to full operations after the restrictions imposed by COVID-19 in 2020 and through into 2021. Costs of generating voluntary income decreased to £963,110 (2021 - £1,001,507). Fundraising and trading costs increased to £1,452,851 (2021 - £1,313,266). This increase in costs is due to the higher levels of activity across the Harewood House Trust site. Expenditure on charitable activities increased to £2,077,156 (2021 - £1,694,980) and was significantly impacted by rising costs in particular utilities and maintenance.

The Trust's trading activities (events, retail, catering and film work) generated net profit before gift aid of £463,990 (2021 - £308,148) for the year.

The overall consolidated deficit of the charity for the year was £232,492 (2021 - surplus £414,973), which included non-admissions related grants and donations of £130,913 (2021 -£975,207) as shown in Note 4. In 2021 this included £19,297 of income from the Coronavirus Job Retention Scheme (CJRS).

The unrestricted endowment fund (comprised of Heritage Assets) at 31 December 2022 was valued at £10,088,916 (2021 - £10,088,916). The Endowment Fund, established in 2015 was valued at £2,764,198 at 31 December 2022 (2021 - £3,001,297). Additions of £670,000 were made to and £268,351 has been used from the restricted fund during the year leaving a balance at 31 December 2022 of £964,834 (2021 - £563,185).

There are £11,501,050 (2021 - £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.

The Trustees have given full consideration to the going concern basis as detailed in the accounting policy 2 (a) noted on page 24.

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

**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.

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 2022 dividends and interest were received from the fund of £106,742 (2021 - £86,130).

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

**D – Reserves policy**

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

- Donations and admissions income from visitors and from Harewood House Trust members
- Investment income generated from the Endowment Fund (which had a capital value of £2.7m at 31 December 2022)
- 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 2022, the Trust had total funds of £17,880,568 (2021 - £18,113,060). This includes a restricted Endowment Fund of £2,764,198 (2021 - £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 2022, the Trust had free reserves of £nil (2021 - £204,849), against a target of £412,724 (2021 - £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 Executive Team 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 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.

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

**E – Principal Risks and Uncertainties (continued)**

**Economic risks**

Income levels are strongly impacted by visitor and membership numbers, which in turn are affected by weather and the economic climate. The Trust continues to develop, improve and monitor the visitor offer and 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 30, note 13.

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

F – Plans for future periods

Harewood has many exciting plans for 2023, with a continued commitment to using the incredible collections and grounds to address ongoing urgent issues of our time; health and wellbeing; the environmental crisis and greater diversity and inclusion. Our strategic priorities for 2023 focus on Our People, Our Environment, Our Audiences, and Our Growth. These priorities have been shared with staff and they will be engaged in delivery of our priority actions throughout the year.

We will embark on this year with a renewed focus and energy as part of the Capital of Culture celebrations 'Leeds 2023'. We will work with internationally renowned British artist Lucy Orta to present *70 x 7: The Meal*, an ambitious public artwork with newly commissioned sculptural elements. The artist emerged in the 1990s and her work addresses many of the most essential social, ecological, and environmental challenges of our time. In July, over 300 people drawn from diverse communities across Leeds will converge at Harewood House to share a meal while discussing ideas and issues prompted by the artist. We are also planning to present a small-scale exhibition within the house, with sculptures by Lucy Orta and documentation of the event. The Lucy Orta project is supported by Leeds 2023, through the National Heritage Lottery Fund.

2023 marks the 300th anniversary of the birth of Joshua Reynolds, the leading English portraitist of the 18th century. To mark this centenary, we will present an exhibition celebrating his life through a focused display of works from the collection. Our Curators are undertaking archival research and participating in forums with curators at institutions which also hold works by Joshua Reynolds. Through this, we will develop our approach about how to honour the work of Reynolds in the context of representations of power at the height of the British Empire.

Heading into Autumn we continue our Open History programme with a newly commissioned portrait of renowned actor David Harewood OBE. Made by Leeds-based artist Ashley Karrell, the portrait will be accompanied by an exhibition exploring David Harewood's life and career as an actor and writer, including his role as an important ambassador for mental health awareness and racial equality. Born in 1965 to Barbadian parents who arrived in Britain in 1957, David Harewood was raised in Birmingham and began his career as a film and stage actor in 1990. The actor is descended from individuals who were enslaved in the 18th-century on a Caribbean sugar plantation owned by the 2nd Earl of Harewood.

Funding for a new Digital Masterplan, with inclusion at its heart, will be sought with an application to the National Heritage Lottery Fund. 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.

Finally plans for Harewood's long term future and site wide developments, such as a new visitor centre and improved car-park, re-imagining the former Bird Garden site and introducing new play and learning offers will gain greater momentum as we work with architects and designers 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 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.

**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 19 October 2023 and signed on their behalf by:

Chair and Trustee



.....

EMILY SHARD  
19 October 2023

**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 2022 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 2022 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.

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

**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 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.

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, 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.

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.

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

**Auditor's responsibilities for the audit of the financial statements (continued)**

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 LLP*

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Sally Appleton (Senior Statutory Auditor)  
for and on behalf of Saffery LLP Chartered Accountants and  
Statutory Auditors  
Mitre House  
North Park Road  
Harrogate  
HG1 5RX

Date: 30 October 2023

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

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY**  
**(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>NOTES</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Endowment Fund</u>	<u>Total 31.12.22</u>	<u>Total 31.12.21</u>
		£	£	£	£	£
<b><u>Income and endowments from:</u></b>						
<b><u>Donations and legacies</u></b>						
Admissions under gift aid, donations and grants	4	1,002,571	701,747	-	1,704,318	1,751,928
<b><u>Income from charitable activities</u></b>						
Conservation and education	5	1,368,128	-	-	1,368,128	1,278,386
<b><u>Other trading activities</u></b>						
Retail, events and catering	6	1,318,536	-	-	1,318,536	1,049,811
<b><u>Income from investments</u></b>	7	106,742	-	-	106,742	86,130
<b><u>Total income and endowments</u></b>		<u>3,795,977</u>	<u>701,747</u>	<u>-</u>	<u>4,497,724</u>	<u>4,166,255</u>
<b><u>Expenditure on:</u></b>						
<b><u>Raising funds</u></b>						
Costs of generating voluntary income	8	963,110	-	-	963,110	1,001,507
Fundraising trading costs	9	1,452,851	-	-	1,452,851	1,313,266
Charitable activities	11	2,045,409	31,747	-	2,077,156	1,694,980
<b><u>Total expenditure</u></b>		<u>4,461,370</u>	<u>31,747</u>	<u>-</u>	<u>4,493,117</u>	<u>4,009,753</u>
Net (expenditure)/income		(665,393)	670,000	-	4,607	156,502
<b><u>Net (losses) /gains on investments</u></b>						
Unrealised (losses) / gains on revaluation of investment assets	18	-	-	(237,099)	(237,099)	258,471
<b><u>Net (expenditure)/income after (losses)/gains on investments</u></b>		<u>(665,393)</u>	<u>670,000</u>	<u>(237,099)</u>	<u>(232,492)</u>	<u>414,973</u>
Transfers	23	268,351	(268,351)	-	-	-
<b><u>Net movement in funds</u></b>		<u>(397,042)</u>	<u>401,649</u>	<u>(237,099)</u>	<u>(232,492)</u>	<u>414,973</u>
<b><u>Reconciliation of funds</u></b>						
Funds brought forward on January 1st		4,459,662	563,185	13,090,213	18,113,060	17,698,087
<b><u>Funds carried forward on December 31st</u></b>		<u>4,062,620</u>	<u>964,834</u>	<u>12,853,114</u>	<u>17,880,568</u>	<u>18,113,060</u>

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

The notes at pages 23 - 42 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	<u>NOTES</u>	<u>31.12.22</u>	<u>31.12.21</u>
		£	£
<b><u>Fixed assets</u></b>			
Tangible assets	17	1,279,605	1,297,315
Heritage assets	17	13,590,686	13,609,656
Investments	18	3,434,198	3,001,297
		<u>18,304,489</u>	<u>17,908,268</u>
<b><u>Current assets</u></b>			
Stocks	19	30,609	29,657
Debtors	20	424,256	321,407
Cash at bank and in hand	21	-	410,972
		<u>454,865</u>	<u>762,036</u>
<b><u>Liabilities</u></b>			
Creditors - amounts falling due within one year	21	(878,786)	(557,244)
		<u>(878,786)</u>	<u>(557,244)</u>
<b><u>Net current (liabilities) / assets</u></b>		<u>(423,921)</u>	<u>204,792</u>
<b><u>Total assets less current liabilities</u></b>		17,880,568	18,113,060
<b><u>Net assets</u></b>		<u>17,880,568</u>	<u>18,113,060</u>
Financed by:			
<b><u>Funds of the charity</u></b>			
Endowment funds	23	12,853,114	13,090,213
Restricted funds	23	964,834	563,185
Unrestricted funds	23	4,062,620	4,459,662
<b><u>Total funds</u></b>		<u>17,880,568</u>	<u>18,113,060</u>

Approved and authorised for issue by the Trustees on 19 October 2023 and signed on their behalf by:

.....  


**EMILY SHARD - DIRECTOR**

Company registration number 02004021

The notes at pages 23-42 form part of these financial statements.

CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2022

	<u>NOTES</u>	<u>31.12.22</u>	<u>31.12.21</u>
		<u>£</u>	<u>£</u>
<b><u>Fixed assets</u></b>			
Tangible assets	17	1,199,408	1,203,122
Heritage assets	17	13,590,686	13,609,656
Investments	18	3,434,298	3,001,397
		<u>18,224,392</u>	<u>17,814,175</u>
<b><u>Current assets</u></b>			
Debtors	20	175,953	171,176
Cash at bank and in hand	21	-	357,312
		<u>175,953</u>	<u>528,488</u>
<b><u>Liabilities</u></b>			
Creditors - amounts falling due within one year	21	(639,115)	(259,954)
		<u>(639,115)</u>	<u>(259,954)</u>
<b><u>Net current (liabilities) / assets</u></b>		<u>(463,162)</u>	<u>268,534</u>
<b><u>Total assets less current liabilities</u></b>		17,761,230	18,082,709
<b><u>Net assets</u></b>		<u>17,761,230</u>	<u>18,082,709</u>
Financed by:			
<b><u>Funds</u></b>			
Endowment fund		12,853,114	13,090,213
Restricted funds		964,834	563,185
Unrestricted funds		3,943,282	4,429,311
<b><u>Total funds</u></b>		<u>17,761,230</u>	<u>18,082,709</u>

Approved and authorised for issue by the Trustees on 19 October 2023 and signed on their behalf by:



**EMILY SHARD - DIRECTOR**

The notes at pages 23-42 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	<u>NOTES</u>	<u>31.12.22</u>		<u>31.12.21</u>	
		£	£	£	£
<b><u>Cash flows from operating activities</u></b>	<b>1</b>		240,576		535,376
<b><u>Cash flows from investing activities</u></b>					
Investment income received		106,742		86,130	
Purchase of investment		(670,000)		-	
Net cash (outflow) / inflow from investing activities		<u>(563,258)</u>		<u>86,130</u>	
<b><u>Capital expenditure and financial investment</u></b>					
Payments to acquire tangible fixed assets		(294,391)		(422,032)	
Net cash used in investing activities			(857,649)		(335,902)
<b><u>Net (decrease) / increase in cash and cash equivalents</u></b>	<b>2</b>		<u>(617,073)</u>		<u>199,474</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES****1 Reconciliation of cash generated from operations**

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Net incoming resources	4,607	156,502
Investment income	<u>(106,742)</u>	<u>(86,130)</u>
	70,372	70,372
Depreciation	331,071	340,992
(Increase) / Decrease in stocks	(952)	17,656
(Increase) / Decrease in debtors	(102,849)	315,811
Decrease / (Increase) in creditors	115,441	(209,455)
Net cash inflow from operating activities	<u>240,576</u>	<u>535,376</u>

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

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Cash at bank and in hand	<u>(206,101)</u>	<u>410,972</u>
	410,972	410,972

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

Balance as at 1 January 2022	410,972	211,498
(Decrease) / Increase in net cash and funds	<u>(617,073)</u>	<u>199,474</u>
Balance as at 31 December 2022	<u>(206,101)</u>	<u>410,972</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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 notes.

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 have reviewed cash flow forecasts for a period of at least one year from the date of signing these financial statements and considered appropriate downside sensitivities. Given the seasonal and economic challenges facing the organisation and sector, post year end the Trustees agreed the release of £1,250,000 from the endowment fund. The release of the investment is in order to reduce reliance on expensive overdraft arrangements and to bridge any operational funding gaps whilst the organisation undergoes significant capital developments planned for the site. Having considered the forecasts, the Trustees are satisfied that liabilities can be met as they fall due and there is sufficient headroom in the forecasts that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies (continued)

(f) Stocks

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

(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 2022**

**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>31.12.22</u>	<u>31.12.22</u>	<u>31.12.22</u>	<u>31.12.21</u>	<u>31.12.21</u>	<u>31.12.21</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	897,482	-	897,482	776,721	-	776,721
Donation from Patricia Harewood Trust Fund	-	676,643	676,643	-	-	-
Donation from Executors of the 7th Earl of Harewood and subsequent Will Trust	-	-	-	221,000	-	221,000
Cultural Recovery Fund	-	-	-	-	346,723	346,723
Historic England	-	-	-	-	296,127	296,127
Coronavirus Job Retention	-	-	-	-	19,297	19,297
Arts Council England	-	25,104	25,104	-	31,380	31,380
National Heritage Lottery Fund	-	-	-	-	27,840	27,840
Museums and Galleries Exhibition Tax Relief	69,016	-	69,016			
Other grant income	-	-	-	18,000	-	18,000
Other donations	36,073	-	36,073	14,840	-	14,840
	<u>1,002,571</u>	<u>701,747</u>	<u>1,704,318</u>	<u>1,030,561</u>	<u>721,367</u>	<u>1,751,928</u>

In the year ended 31 December 2022 funds totalling £676,643 were received from the Patricia Harewood Trust Fund. The funds were specifically received for the conservation of the collection and investment therefore these funds have been restricted.

The income from Arts Council England relates to the final tranche of funding for the programme and is restricted as it was granted for a specific project(s).

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

The funds donated in the year ended 31 December 2021 included £221,000 donated by the Executors of the 7th Earl of Harewood Will Trust. In 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>31.12.22</u>	<u>31.12.21</u>
	<u>£</u>	<u>£</u>
Admissions and Harewood Card (non-gift aid)	1,344,136	1,272,267
Guide books and education	23,992	6,074
Bird adoption	-	45
	<u>1,368,128</u>	<u>1,278,386</u>

All income from charitable activities was unrestricted in both years.

**NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES****6 Other trading activities**

<b><u>Retail, events and catering</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>
Retail shops and cafes	486,516	538,719
Catering and courtyard events	262,188	202,905
Other events	424,490	213,181
Rents and filming income	109,167	73,016
Sundry	36,175	21,990
	<u>1,318,536</u>	<u>1,049,811</u>

All income from trading activities was unrestricted in both years.

<b>7 <u>Income from investments</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>
Dividends	106,742	86,130
Interest	-	-
	<u>106,742</u>	<u>86,130</u>

All income from investment activities was unrestricted in both years.

<b>8 <u>Costs of generating voluntary income</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>
Marketing and promotion	104,020	119,834
Operating costs	354,057	393,007
Support (see note 12)	499,253	483,433
Governance Costs (see note 13)	5,780	5,233
	<u>963,110</u>	<u>1,001,507</u>

The above includes £0 of restricted costs (2021 - £98,321).

<b>9 <u>Fundraising trading costs</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>
Commercial trading operation	543,355	540,155
House and event operation	153,690	137,759
Development	45,135	41,909
Support (see note 12)	702,537	587,088
Governance Costs (see note 13)	8,134	6,355
	<u>1,452,851</u>	<u>1,313,266</u>

The above includes £0 of restricted costs (2021 - £45,379).

<b>10 <u>Investment Management Costs</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>
Investment management fees	6,810	9,899
	<u>6,810</u>	<u>9,899</u>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 2022</u> £	<u>Total 2021</u> £
Maintaining property open to the public	196,741	-	-	196,741	240,674
Exhibitions and educational programmes	-	-	560,400	560,400	244,926
Conserving collections	7,374	261,164	-	268,538	399,659
Marketing and events	34,673	17,337	17,337	69,347	79,889
Support (see note 12)	193,210	247,214	530,465	970,889	722,017
Governance costs (see note 13)	2,237	2,862	6,142	11,241	7,815
<b>Total 2022</b>	<b>434,235</b>	<b>528,577</b>	<b>1,114,344</b>	<b>2,077,156</b>	<b>1,694,980</b>
<b>Total 2021</b>	<b>832,175</b>	<b>395,983</b>	<b>466,822</b>		

All of the above expenditure includes £31,747 of restricted funds (2021 - £234,457) 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 2022</u> £	<u>Total 2021</u> £
Costs of voluntary income	397,194	25,788	75,839	431	499,252	483,433
Fundraising trading costs	558,923	36,288	106,719	607	702,537	587,088
Charitable activities:						
Harewood House and Gardens	153,715	9,978	29,350	167	193,210	354,161
Bird Garden conservation	196,678	12,769	37,553	214	247,214	168,094
Art conservation and education	422,027	27,400	80,580	458	530,465	199,762
	772,420	50,147	147,483	839	970,889	722,017
<b>Total 2022</b>	<b>1,728,537</b>	<b>112,223</b>	<b>330,041</b>	<b>1,877</b>	<b>2,172,678</b>	<b>1,792,538</b>
<b>Total 2021</b>	<b>1,402,538</b>	<b>69,328</b>	<b>311,960</b>	<b>8,712</b>		

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES**

13	<b><u>Governance costs</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
		<b>£</b>	<b>£</b>
	Trustees' meeting expenditure	3,115	3,331
	Trustees' indemnity insurance	2,940	2,172
	Auditor's remuneration	19,100	13,900
		<u>25,155</u>	<u>19,403</u>
14	<b><u>Staff costs</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
		<b>£</b>	<b>£</b>
	Wages and salaries	1,553,481	1,364,895
	National insurance	133,072	107,109
	Pension costs	58,740	51,087
		<u>1,745,293</u>	<u>1,523,091</u>

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

	<b>2022</b>	<b>2021</b>
£60,000 to £70,000	3	1
£100,000 to £110,000	-	-
£110,000 to £120,000	1	1
Total	<u>4</u>	<u>2</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, Harewood House Trust Limited, and the group comprise the Trustees, Trust Director, Director of People and Environment, Director of Finance and Operations, Director of Engagement, Commercial Director, Chief Curator and Artistic Director, Head Gardener, Head of Learning and Access, Head of Commercial Operations, Development Manager, Operations Manager, Artistic Producer, Finance Manager, Visitor Experience Manager, Collections Manager and Registrar, Event Manager, Bird Garden & Animal Experience Manager, Membership & Marketing Campaigns Manager.

The total employee remuneration and benefits of the key management personnel of the Trust were £700,772 (2021 - £477,834).

The Trust made no redundancy payments in 2021 or 2022.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES****14 Staff costs (continued)**

The average monthly headcount was 95 staff, 47 permanent and 48 casual (2021 - 82) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

	<u>31.12.22</u>	<u>31.12.21</u>
	<u>No</u>	<u>No</u>
House & admissions	16	25
Bird Garden	3	5
Gardens	6	7
Retail & catering	8	7
Events	2	2
Support & management	21	13
Full time and full-time equivalents	<u>56</u>	<u>59</u>

**15 Operating deficit**

The operating surplus/deficit is stated after charging:

	<u>31.12.22</u>	<u>31.12.21</u>
	<u>£</u>	<u>£</u>
Auditor's remuneration	19,100	13,900
Depreciation	331,071	340,992
Trustees' meeting expenses	3,115	3,331
Trustees' indemnity insurance	2,940	2,172

**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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES**

<b>17 Group tangible fixed assets</b>	<u>Heritage works of art</u> (note 17 (a))	<u>Heritage buildings &amp; refurbishment</u> (note 17 (a))	<u>Modern &amp; contemporary works of art</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>
	£	£	£	£	£	£	£	£	£
<b>Cost</b>									
as at 1 January 2022	11,501,050	3,133,545	-	352,047	3,274,046	234,632	189,601	70,590	18,755,510
Additions	-	-	40,124	-	64,539	23,763	-	165,965	294,391
Disposals	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
as at 31 December 2022	<u>11,501,050</u>	<u>3,133,545</u>	<u>40,124</u>	<u>352,047</u>	<u>3,338,585</u>	<u>258,395</u>	<u>189,601</u>	<u>236,555</u>	<u>19,049,901</u>
<b>Depreciation</b>									
as at 1 January 2022	-	1,024,938	-	97,826	2,348,044	198,229	179,503	-	3,848,540
Disposals	-	-	-	-	-	-	-	-	-
Charge for the year	-	59,095	-	18,450	236,337	14,664	2,525	-	331,071
as at 31 December 2022	<u>-</u>	<u>1,084,033</u>	<u>-</u>	<u>116,276</u>	<u>2,584,381</u>	<u>212,893</u>	<u>182,028</u>	<u>-</u>	<u>4,179,611</u>
<b>Net book value</b>									
as at 31 December 2022	<u>11,501,050</u>	<u>2,049,512</u>	<u>40,124</u>	<u>235,771</u>	<u>754,204</u>	<u>45,502</u>	<u>7,573</u>	<u>236,555</u>	<u>14,870,291</u>
as at 31 December 2021	<u>11,501,050</u>	<u>2,108,607</u>	<u>-</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>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES**

17 Cont'd	<u>Heritage works of art</u> (note 17 (a))	<u>Heritage buildings &amp; refurbishment</u> (note 17 (a))	<u>Modern &amp; contemporary works of art</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>
	£	£	£	£	£	£	£	£	£
<b>Cost</b>									
as at 1 January 2022	11,501,050	3,133,545	-	352,047	3,072,849	234,632	189,601	70,590	18,554,313
Additions	-	-	40,124	-	45,851	23,763	-	165,965	275,703
Disposals	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
as at 31 December 2022	<u>11,501,050</u>	<u>3,133,545</u>	<u>40,124</u>	<u>352,047</u>	<u>3,118,700</u>	<u>258,395</u>	<u>189,601</u>	<u>236,555</u>	<u>18,830,016</u>
<b>Depreciation</b>									
as at 1 January 2022	-	1,024,938	-	97,826	2,241,039	198,229	179,503	-	3,741,535
Disposals	-	-	-	-	-	-	-	-	-
Charge for the year	-	59,095	-	18,450	203,654	14,664	2,525	-	298,388
as at 31 December 2022	<u>-</u>	<u>1,084,033</u>	<u>-</u>	<u>116,276</u>	<u>2,444,693</u>	<u>212,893</u>	<u>182,028</u>	<u>-</u>	<u>4,039,923</u>
<b>Net book value</b>									
as at 31 December 2022	<u>11,501,050</u>	<u>2,049,512</u>	<u>40,124</u>	<u>235,771</u>	<u>674,007</u>	<u>45,502</u>	<u>7,573</u>	<u>236,555</u>	<u>14,790,094</u>
as at 31 December 2021	<u>11,501,050</u>	<u>2,108,607</u>	<u>-</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>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES

17 (a) Heritage Assets

The charity holds three 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.

Modern and contemporary works of art

This is a new category of heritage fixed asset set up in 2022 following the acquisition of works of art for the modern and contemporary collection at Harewood House Trust. The items in this collection are deemed to be part of the heritage assets of the Trust due to their artistic qualities and contributions to knowledge and culture.

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 2022**

## NOTES

**18 Group Investments**

At 31 December 2022 the Charity held listed investments with a valuation of £3,434,198.

During the year ended 31 December 2022, an additional £670,000 was added to the investment portfolio through the transfer from the Patricia Harewood Trust Fund. No other increases or withdrawals were made to the externally managed portfolio during the year. 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. (2021: £100).

	<u>Charity</u> <u>31.12.22</u> £	<u>Charity</u> <u>31.12.21</u> £
Investment in subsidiary	100	100

**Listed investments**

	<u>Charity</u> <u>31.12.22</u> £	<u>Charity</u> <u>31.12.21</u> £
<b>Cost or valuation</b>		
as at 1 January 2022	3,001,297	2,742,826
Additions	670,000	-
Disposals	-	-
Unrealised gains (losses) / gains on revaluation of investment assets	(237,099)	258,471
as at 31 December 2022	<u>3,434,198</u>	<u>3,001,297</u>
<b>Carrying amount</b>		
as at 1 January 2022	<u>3,001,297</u>	<u>2,742,826</u>
as at 31 December 2022	<u>3,434,198</u>	<u>3,001,297</u>

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

Equities	2,167,221	2,238,226
Bonds	365,124	249,498
Multi asset funds	-	-
Alternatives	470,377	443,279
Cash held within the investment portfolio	431,476	70,294
	<u>3,434,198</u>	<u>3,001,297</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES****18 Investments (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.

<b>19 <u>Stocks</u></b>	<b><u>Group</u></b>	<b><u>Group</u></b>	<b><u>Charity</u></b>	<b><u>Charity</u></b>
	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Retail, catering and guide books	30,609	29,657	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	30,609	29,657	-	-
<b>20 <u>Debtors</u></b>	<b><u>Group</u></b>	<b><u>Group</u></b>	<b><u>Charity</u></b>	<b><u>Charity</u></b>
	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	313,098	287,626	66,461	137,395
Prepayments	111,158	33,781	109,492	33,781
	<hr/>	<hr/>	<hr/>	<hr/>
	424,256	321,407	175,953	171,176
<b>21 <u>Creditors:</u></b>	<b><u>Group</u></b>	<b><u>Group</u></b>	<b><u>Charity</u></b>	<b><u>Charity</u></b>
<b><u>amounts falling due within one year</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>	<b><u>31.12.22</u></b>	<b><u>31.12.21</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	292,356	173,766	221,102	130,276
Other creditors including social security and other taxes	90,070	48,923	5,255	8,593
Accruals	91,139	124,055	82,908	121,085
Event deposits in advance	199,120	210,500	9,500	-
Cash at bank and in hand	206,101	-	320,350	-
	<hr/>	<hr/>	<hr/>	<hr/>
	878,786	557,244	639,115	259,954

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**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**

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Turnover	1,237,176	982,116
Expenditure	(773,186)	(677,915)
Other income	-	3,947
Net profit	<u>463,990</u>	<u>308,148</u>
Gift aid donation	<u>(375,000)</u>	<u>(300,000)</u>
Profit / (Loss) after gift aid to parent company	<u>88,990</u>	<u>8,148</u>

**Summary balance sheet**

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Fixed assets	80,198	94,192
Current assets	393,578	233,548
Current liabilities	(354,337)	(297,229)
Liabilities due after more than one year	-	-
Net assets	<u>119,439</u>	<u>30,511</u>
<b>Capital and reserves</b>		
Called up share capital	100	100
Profit and loss reserves	119,339	30,411
Shareholders' funds	<u>119,439</u>	<u>30,511</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**NOTES**

**23 Group funds**

**Reconciliation and analysis of movement in funds**

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Expendable</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>Endowment</u>	<u>Endowment</u>	<u>31.12.22</u>	<u>31.12.21</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Opening value of funds	4,459,662	563,185	3,001,297	10,088,916	18,113,060	17,698,087
Income for the year	3,795,977	701,747	-	-	4,497,724	4,166,255
Expenditure for the year	(4,461,370)	(31,747)	-	-	(4,493,117)	(4,009,753)
Investment (losses) / gains	-	-	(237,099)	-	(237,099)	258,471
Transfer	268,351	(268,351)	-	-	-	-
Closing value of funds	4,062,620	964,834	2,764,198	10,088,916	17,880,568	18,113,060
<b>Comparative 2021</b>						
	<u>Unrestricted</u>	<u>Restricted</u>	<u>Expendable</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	4,459,662	563,185	3,001,297	10,088,916	18,113,060	17,698,087

The 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 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, but can be applied to income with the approval of the funders.

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.

In the year ended 31 December 2022 there were transfers totalling £268,351 made from restricted to unrestricted funds consisting of spending on eligible items relating to the 'Will Trust Projects Fund'. These transfers related to building conservation, technology and infrastructure development, programme development and spending on consideration of future capital project plans such as feasibility studies, brand development and surveys.

Post year end, a drawdown of £1,000,000 was made from the expendable endowment fund, with a commitment to release a further £250,000 if and when required to support the ongoing operational needs of the Trust.

In prior years, activities were as follows:

A donation of £1,500,000 was received in 2019. In 2021, £241,446 was spent on eligible items and was 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 in 2021.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 Projects</u>	<u>Balance 31.12.22</u>
	£	£	£	£	£
Will Trust Projects Fund	563,185	-	-	(268,351)	294,834
Patricia Harewood Trust Fund	-	676,643	(6,643)	-	670,000
Arts Council England	-	25,104	(25,104)	-	-
<b>Total</b>	<b>563,185</b>	<b>701,747</b>	<b>(31,747)</b>	<b>(268,351)</b>	<b>964,834</b>
<b>Comparative 2021</b>	<b><u>Opening Value</u></b>	<b><u>Income in Year</u></b>	<b><u>Expenditure in Year</u></b>	<b><u>Capital Projects</u></b>	<b><u>Balance 31.12.21</u></b>
	£	£	£	£	£
Will Trust Projects Fund	804,631	-	-	(241,446)	563,185
Cultural Recovery Fund	63,335	702,070	(358,860)	(406,545)	-
CIRS	-	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>

**Analysis of group net assets between funds**

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Expendable Endowment Fund</u>	<u>Unrestricted Endowment Fund</u>	<u>Total 31.12.22</u>
	£	£	£	£	£
Fixed assets	4,781,375	670,000	2,764,198	10,088,916	18,304,489
Net current (liabilities) / assets	(718,755)	294,834	-	-	(423,921)
<b>Total</b>	<b>4,062,620</b>	<b>964,834</b>	<b>2,764,198</b>	<b>10,088,916</b>	<b>17,880,568</b>

<b>Comparative 2021</b>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Expendable 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 (liabilities) / assets	(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>

**24 Financial instruments**

	<u>31.12.22</u>	<u>31.12.21</u>
	£	£
Financial assets measured at amortised cost	106,997	287,626
Financial liabilities measured at amortised cost	582,615	297,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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 in. 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:

- Transactions with Harewood Estate £3,697 (2021- £4,313)  
The Charity was reimbursed by the Harewood Estate for recharges of office expenses and Corporate Membership cards.
- Purchases from Harewood Estate £247,097 (2021- £218,948)  
Harewood Estate recharged the Charity, at cost of £187,070 (2021- £177,184) 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.
- Transactions with Harewood Provisions Company £6,069 (2021 - £5,246)  
The Trust charged Harewood Provisions for produce from the Walled Garden used in their cafes.
- Purchases from Harewood Provisions Company Limited £23,268 (2021- £13,938)  
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.
- Transactions with the Earl and Countess of Harewood £42,980 (2021- £31,420)  
The Charity recharged the Earl and Countess of Harewood with rent for the private apartments and costs relating to an event.
- Purchases from Harewood Holistics £120 (2021 - £2,591)  
Harewood Holistics provide services to the Charity at an approved commercial rate which is permitted by the Charity's Articles and Charity Law.
- Purchases from the Geraldine Conner Foundation £78 (2021 - £3,780)  
The Geraldine Conner Foundation provided consultancy services to the charity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES

25 Transactions with trustees and connected persons (continued)

- (h) Purchases from Harewood Energy Supply Co Limited £79,977 (2021- £52,398)  
Harewood Energy Supply Co Limited charged the Trust for biomass running costs. The charge per unit was based on cost, as assessed by an independent report.
- (i) Purchases from Harewood Farming Company Limited £210 (2021- £Nil)  
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) Transactions between Harewood Trading and Harewood Estate £184 (2021 – £1,688)  
The trading company charged the Estate a commission for referrals for Harewood Holidays and room hire.
- (k) Purchases by Harewood Trading from Harewood Estate £17,622 (2021 - £1,995)  
Harewood Estate provides services to the Charity at an approved commercial rate which is permitted by the Charity's Articles and charity law.
- (l) Transactions between Harewood Trading and Harewood Provisions £139,164 (2021 - £102,406)  
The Trading company charged Harewood Provisions for commission due on income received from the catering facilities they operate at Harewood.
- (m) Purchases by Harewood Trading from Harewood Provisions £162,595 (2021 – £76,112)  
Harewood Trading charge the Trading company for catering services at an approved commercial rate which is permitted by the Charity's Articles and charity law.
- (n) Purchases by Harewood Trading from Harewood Holistics £2,139 (2021 - £2,591)  
Harewood Holistics provide services to Harewood Trading 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 £Nil (2021 - £221,000).

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 £8,190 (2021 - £8,270)

Donations from the Executors of the 7<sup>th</sup> Earl of Harewood's Will Trust £Nil (2021 - £221,000).

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.

Transactions with The Blue Barn £3,443 (2021 - £3,719)

Michael Bates is a director of The Blue Barn and a Trustee of the Charity and Director of the Trading subsidiary. The Charity purchased items throughout the year on standard commercial terms. The amount owed to The Blue Barn by Harewood House Trust at the year end was £238 (2021 - £92).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

NOTES

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

Trustee expenses

In addition to the above, meeting and travel expenses of £4,980 (2021 - £Nil) were incurred by the Board of Trustees in carrying out their duties. These items represent a reimbursement of expenses at cost and any meeting costs.

At 31 December 2022 balances were as follows:

Owed to the Charity by:

Harewood Estate	£122	(2021- £Nil)
The Earl and Countess of Harewood	£3,717	(2021- £7,855)
Harewood Provisions Company Limited	£6,069	(2021- £5,026)
Harewood Holistics	£120	(2021- £Nil)

Owed to the Trading Company by:

Harewood Estate	£184	(2021- £640)
Harewood Provisions Company Limited	£18,623	(2021- £36,111)

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 2022. In practice invoices are paid promptly, and these amounts were repaid shortly after the year end.

At the year end there was an outstanding intercompany trading balances between the Charity and Harewood Trading of £4,428 (2021 - £31,482). In the prior year this was cash received into the Trust bank account for Trading related activity outstanding at the year end.

Owed by the Charity to:

Harewood Estate	£24,169	(2021- £2,501)
Harewood Energy Supply Co Limited	£25,790	(2021- £18,915)
Harewood Provisions Company Limited	£403	(2021- £4,280)
Geraldine Conner Foundation	£Nil	(2021- £Nil)

Owed by the Trading Company to:

Harewood Estate	£15,796	(2021- £96)
Harewood Provisions Company	£21,221	(2021- £21,330)

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	£276,519	(2021 - £274,526)
Harewood House Trading to Trust	£2,423	(2021 - £205)