

HAREWOOD HOUSE TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
MOOR HOUSE
HAREWOOD
LEEDS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st DECEMBER 2000

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HAREWOOD HOUSE TRUST LIMITED

COMPANY INFORMATION

TRUSTEES

The Right Hon The Earl of Harewood
The Right Hon The Countess of Harewood
The Viscount Lascelles
The Viscountess Lascelles
Sir George W L Christie
Lord Romsey
C R Buckle CBE
Mr H Roberts
Sir Nicholas Goodison
Mr R Tempest
Sir Ernest Hall
Dr Jonathan Miller

CHIEF EXECUTIVE

T Suthers

SECRETARY

T Suthers

REGISTERED OFFICE

Moor House, Harewood,
Leeds, LS17 9LQ

REGISTERED IN CARDIFF

Number 2004021

CHARITY REGISTRATION NO

517753

BANKERS

National Westminster Bank Plc
Leeds City Office
8 Park Row, Leeds

SOLICITORS

Wrigleys
19 Cookridge Street, Leeds, LS2 3AG

AUDITORS

Lishman Sidwell Campbell & Price Ltd
Harewood Yard
The Harewood Estate
Harewood, Leeds, LS17 9LF

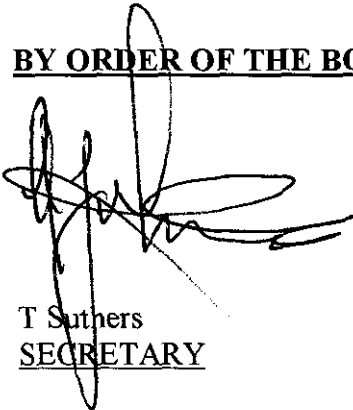
HAREWOOD HOUSE TRUST LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice hereby given that the 2001 Annual General Meeting of Harewood House Trust Limited will be held at Harewood House, Harewood, Leeds on 14 August 2001 to transact the following business:

1. To receive, consider and adopt the Trustees' Report and Accounts for the year ended 31 December 2000.
2. To agree the remuneration of the Auditors.
3. To propose the re-appointment of Messrs Lishman Sidwell Campbell & Price Ltd as Auditors of the company.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'T Suthers', written over the printed name and title.

T Suthers
SECRETARY

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

The Trustees submit their Annual Report and Accounts for the year ended 31 December 2000.

TRUSTEES

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

Lord Harewood	Lady Harewood
The Viscountess Lascelles	The Viscount Lascelles
Lord Romsey	Mr H Roberts
C R Buckle CBE	Mr R Tempest
Sir Nicholas Goodison	
Sir George W L Christie	
Sir Ernest Hall	
Dr Jonathan Miller	

The Trustees who are also members of the Company are:

Lord Harewood
Viscount Lascelles

LEGAL AND ADMINISTRATIVE INFORMATION

Harewood House Trust Limited is a Registered Charity No. 517753 and a company limited by guarantee No. 2004021 in England and Wales. The Charity's governing document is contained in its Articles and Memorandum of Association. The Charity's principal advisors are shown on page 1.

The Company is a company limited by guarantee and each member's liability is limited to £1,000.

PRINCIPAL ACTIVITIES

The Company holds a lease of Harewood House and surrounding lands. The Company's principal activities are to preserve for the public benefit Harewood House with its ancillary buildings, gardens, arboreta, woodlands and park; to promote the study and appreciation of Harewood as a place of historic and cultural interest and natural beauty; to provide facilities for recreation and leisure time occupations; and to advance the education of the public in the arts and sciences.

ORGANISATION AND POLICY

In order to achieve its objectives, the company applies income generated by admissions, investments, and sponsorship to programmes of repairs and improvements to the House and its grounds.

The Trustees and Investment Sub-committee each meet biannually to review progress and approve new initiatives. The Trust Director is responsible for day-to-day management and implementing the decisions of the Trustees.

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

FINANCIAL POSITION

The results for the year ended 31 December 2000 are shown on Page 7. Visitor numbers were lower but income from general visits increased slightly. The major special events activities were transferred to the Trust's subsidiary company Harewood House Trading Limited which resulted in the Trust's total revenue being lower at £1,858,916 (1999: £2,056,886). The effect of this transfer was offset by an increase in the covenanted payment to the Trust from Harewood House Trading Limited. Other investment income however fell. There was also a substantial fall in investment values during the year. Operating costs fell with the lower level of activity and there were major repairs on the Harewood House roof.

Overall the deficit on ordinary activities (House opening and repairs) is similar to the previous year. The major roof repairs have been completed and as a result calls on the endowed funds are expected to be at reduced levels in the coming year. The Company successfully adopted the gift aid scheme on Harewood card members' subscriptions, the tax relief on which has been a significant set off against falling investment income.

Income in the first quarter of the 2001 season is ahead of budget despite having to postpone the opening to the public by nearly three weeks because of the difficulties caused by foot and mouth disease.

The results, together with the state of affairs of the Company are considered to be satisfactory.

INVESTMENTS AND RESERVES

The Trustees delegate the management of its investments to two Investment Managers. The Investment Sub-committee of the Trust comprising of five Trustees receives quarterly reports from and meets with each manager to monitor their respective performance. The Managers are not restricted in any way and are expected to out perform the appropriate indices.

The endowed funds are not restricted in any way and the Trustees have the ability to convert capital into income. The funds are thus described as unrestricted income and expendable endowment throughout.

SUBSIDIARY UNDERTAKING

The Company owns, including shares held by a nominee, 100% of the shares of Harewood House Trading Limited. The Trustees are of the opinion that under the provisions of Section 246 (1) of the Companies Act 1985 it is not appropriate to prepare consolidated accounts as the group accounts would fall within the definition of a small or medium sized group. As set out on page 13 Accounting Policies, it is a requirement of SORP 2000 (effective 1 January 2001) that consolidated group accounts be prepared. Full compliance with the SORP will be adopted in this regard in the year ended 31 December 2001, as the SORP guidance is applicable for the whole of this next accounting period. The trading result and net assets of the subsidiary are shown in note 10 to the financial statements.

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES

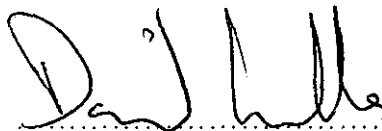
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable 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 company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Lishman Sidwell Campbell & Price Ltd as auditors of the Company will be put to the Annual General Meeting.

 Trustees

14 August 2001 Date

HAREWOOD HOUSE TRUST LIMITED

AUDITORS REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

We have audited the financial statements of Harewood House Trust Limited on pages 7 to 21. These financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value, and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 5, the company's Trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its deficit for the year ended and have been properly prepared in accordance with the Companies Act 1985.

Lishman Sidwell Campbell & Price Limited
LISHMAN SIDWELL CAMPBELL & PRICE LTD
REGISTERED AUDITOR
HAREWOOD YARD
THE HAREWOOD ESTATE
LEEDS LS17 9LF

Dated: 31 August 2001

HAREWOOD HOUSE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 31 DECEMBER 2000

NOTES

	<u>Unrestricted</u> <u>Income</u> <u>£</u>	<u>Expendable</u> <u>Endowment</u> <u>£</u>	<u>Total</u> <u>31.12.00</u> <u>£</u>	<u>Total</u> <u>31.12.99</u> <u>£</u>
<u>INCOMING RESOURCES:</u>				
<u>Activities to generate funds:</u>				
Admissions and special events	747,544	-	747,544	1,041,218
Guide books and other book sales	65,778	-	65,778	42,145
Rents	56,588	-	56,588	59,330
<u>Activities to further the charity's objects:</u>				
Grants & sponsorship receivable	488,846	-	488,846	465,088
Management services	50,154	-	50,154	48,982
Investment income	390,697	-	390,697	354,195
Other income	59,309	-	59,309	45,928
<u>TOTAL INCOMING RESOURCES</u>	<u>1,858,916</u>	<u>-</u>	<u>1,858,916</u>	<u>2,056,886</u>
<u>RESOURCES EXPENDED:</u>				
<u>Direct charitable expenditure:</u>				
Property held for preservation	1,000,677	-	1,000,677	1,275,309
Maintaining property open to the public	806,800	-	806,800	741,405
<u>Cost of generating funds:</u>				
1 Fund raising and publicity administration	821,021	-	821,021	830,119
<u>Support costs:</u>				
2 Management and administration	331,544	-	331,544	315,269
	<u>2,960,042</u>	<u>-</u>	<u>2,960,042</u>	<u>3,162,102</u>
<u>NET OUTGOING RESOURCES</u>	<u>(1,101,126)</u>	<u>-</u>	<u>(1,101,126)</u>	<u>(1,105,216)</u>
Realised gains on investment assets	-	756,303	756,303	352,842
Unrealised losses on investment assets	-	(1,017,040)	(1,017,040)	801,379
Net movement in funds	(1,101,126)	(260,737)	(1,361,863)	49,005
Funds brought forward at 1.1.00	(4,912,936)	13,915,956	9,003,020	8,954,015
<u>FUNDS CARRIED FORWARD AT 31.12.00</u>	<u>(6,014,062)</u>	<u>13,655,219</u>	<u>7,641,157</u>	<u>9,003,020</u>

Movement in funds is disclosed in Note 14 to the financial statements.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>31.12.00</u>	<u>31.12.99</u>
	<u>£</u>	<u>£</u>
1 <u>FUND RAISING AND PUBLICITY</u>		
Bird garden operating costs	139,460	153,724
Marketing and site operating costs	380,467	350,432
Special events	25,923	137,260
Concerts and exhibitions	181,708	98,703
Management	<u>93,463</u>	<u>90,000</u>
	<u>821,021</u>	<u>830,119</u>
 2 <u>MANAGEMENT AND ADMINISTRATION</u>		
Salaries and office costs	263,305	228,319
Legal and professional fees	7,606	16,630
Rent	26,340	26,773
Audit fees	4,500	5,000
Trustees expenses	889	3,441
Investment management fees	28,904	35,106
	<u>331,544</u>	<u>315,269</u>

See statement of accounting policies on page 13 for treatment of expenditure

HAREWOOD HOUSE TRUST LIMITED**INCOME AND EXPENDITURE ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>NOTE</u>	<u>31.12.00</u> <u>£</u>	<u>31.12.99</u> <u>£</u>
<u>TURNOVER</u>		1,052,454	1,291,907
Operating and administrative expenses		<u>(2,541,648)</u>	<u>(2,748,275)</u>
<u>OPERATING (DEFICIT)</u>	5	(1,489,194)	(1,456,368)
Interest receivable and similar income	6	390,697	354,195
Interest payable and similar charges	7	<u>(2,629)</u>	<u>(3,043)</u>
<u>(DEFICIT) ON ORDINARY ACTIVITIES</u>		(1,101,126)	(1,105,216)
Tax on deficit on ordinary activities	8	-	-
(Deficit) brought forward		(4,912,936)	(3,807,720)
<u>RETAINED (DEFICIT) CARRIED FORWARD</u>		<u>(6,014,062)</u>	<u>(4,912,936)</u>
<u>TOTAL RECOGNISED GAINS AND LOSSES</u>			
Deficit on ordinary activities		(1,101,126)	(1,105,216)
Realised gains on disposal of investments	14	756,303	352,842
Unrealised losses on investments	14	(1,017,040)	801,379
Total recognised (losses) gains relating to the year		<u>(1,361,863)</u>	<u>49,005</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous periods.

HAREWOOD HOUSE TRUST LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2000**

	<u>Notes</u>	<u>31.12.00</u> £	<u>31.12.99</u> £
<u>FIXED ASSETS</u>			
Tangible assets	9	584,718	558,202
Investments	10	<u>7,193,866</u>	<u>8,570,480</u>
		<u>7,778,584</u>	<u>9,128,682</u>
<u>CURRENTS ASSETS</u>			
Stocks	11	51,753	53,550
Debtors	12	207,532	295,878
Cash at bank and in hand		<u>4,211</u>	<u>8,853</u>
		263,496	358,281
<u>CREDITORS</u> - amounts falling due within one year	13	<u>(400,923)</u>	<u>(483,943)</u>
<u>NET CURRENT ASSETS/(LIABILITIES)</u>		(137,427)	(125,662)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>7,641,157</u>	<u>9,003,020</u>

Financed by:

FUNDS

Expendable Endowment	14	13,655,219	13,915,956
Unrestricted Income Fund	14	(6,014,062)	(4,912,936)
		<u>7,641,157</u>	<u>9,003,020</u>

Trustee



Date

14 August 2001

HAREWOOD HOUSE TRUST LIMITED**CASH FLOW STATEMENT**
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>	<u>31.12.00</u>		<u>31.12.99</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>NET OUTGOING RESOURCES</u>	1		(1,344,199)		(1,327,487)
<u>BEFORE FINANCING</u>					
<u>Returns on investment and servicing of finance</u>					
Investment income received		390,697		354,195	
Interest paid		<u>(2,629)</u>		<u>(3,043)</u>	
			388,068		351,152
<u>Investing activities</u>					
Purchase of tangible fixed assets		(114,135)		(93,314)	
Purchase of investments		(2,377,479)		(1,538,547)	
Sales of investments		<u>3,319,539</u>		<u>1,467,696</u>	
			827,925		(164,165)
<u>Financing</u>					
Repayment of debenture loan		26,133		25,765	
Hire purchase		<u>(657)</u>		<u>(2,256)</u>	
			25,476		23,509
<u>INCREASE (DECREASE) IN CASH</u>	2		<u>(102,730)</u>		<u>(1,116,991)</u>
<u>AND CASH EQUIVALENTS</u>					

NOTES TO CASH FLOW STATEMENT**1 Reconciliation of net outgoing resources before investment income and interest paid**

	<u>31.12.00</u>	<u>31.12.99</u>
	<u>£</u>	<u>£</u>
Operating loss (including re-roofing)	(1,489,194)	(1,456,368)
Depreciation	87,619	81,700
(Increase)decrease in stocks	1,797	(1,158)
(Increase)decrease in debtors	69,105	(62,896)
(Decrease)increase in creditors	(7,291)	116,667
Other reduction in funds	(6,235)	(5,432)
	<u>(1,344,199)</u>	<u>(1,327,487)</u>

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

	<u>£</u>
Balance at 1 January 1999	1,227,761
Net outflow	<u>(1,116,991)</u>
Balance at 31 December 1999	<u>110,770</u>
Balance at 1 January 2000	110,770
Net Outflow	<u>(102,730)</u>
Balance at 31 December 2000	<u>8,040</u>

Analysed in balance sheet

Cash at bank and in hand	4,211
Investments - cash on deposit with fund managers	47,752
Bank loans and overdraft	<u>(43,923)</u>
	<u>8,040</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

1 CHARITABLE STATUS

The Company is a registered charity, number 517753.

2 ACCOUNTING POLICIES

a Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable accounting standards as modified by the inclusion of fixed asset investments at market value. The Financial Statements have been prepared in accordance with SORP 2000 (effective 1 January 2001) apart from and in so far as the standard relates to consolidation of the company and its trading subsidiary. Full compliance will be adopted in this regard in the year 31 December 2001 as the SORP guidance is applicable for the whole of this next accounting period.

b Turnover

Turnover represents income receivable in the period comprising admissions and other income arising from the company's principal activities.

c Tangible Fixed Assets

Depreciation is provided at the following annual rates, after deducting grants receivable, in order to write off each asset over its estimated useful life:

Land	- not provided
Motor vehicles	- 20 % reducing balance
Plant and machinery	- 10% - 20% reducing balance
Playground equipment	- 10% reducing balance
Buildings	- 5% straight line

d Stocks

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

e Investments

Realised and unrealised surpluses and deficits on investments are dealt with through reserves. Income from investments is accounted for when it is received.

f Grants and other incoming resources

Grants towards revenue expenditure are credited to the income and expenditure account in the period to which they relate. Grants towards capital expenditure are deducted from the cost of fixed assets in the period in which they are acquired.

g Resources expended

All expenditure is accounted for on an accruals basis. Specific overheads are attributed directly to the preservation and maintenance of charitable activities. Overheads relating to the management of the charity's assets, its organisational administration and compliance with statutory requirements are reported as management and administration costs. Other non-specific overheads are allocated to preservation and maintenance or fund raising based on staff hours or level of fund raising as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

<u>NOTES</u>	<u>31.12.00</u>	<u>31.12.99</u>
	<u>£</u>	<u>£</u>
4 <u>STAFF COSTS</u>		
Wages and salaries	883,340	747,071
National insurance	65,990	55,444
Pension costs	<u>49,487</u>	<u>45,188</u>
	<u>998,817</u>	<u>847,703</u>

The average number of employees during the period was as follows:

	<u>No</u>	<u>No</u>
Full time including full-time equivalents	<u>81</u>	<u>73</u>

The highest paid employee received emoluments of £66,450 during the year.

Emoluments include salary, pension contributions and benefits in kind.

The Trustees receive no remuneration for their services. Expenses reimbursed are shown below.

5 <u>OPERATING DEFICIT</u>	<u>£</u>	<u>£</u>
The Operating deficit is stated after charging		
Re-roofing and project costs	1,000,679	1,275,309
Less grants receivable	<u>(415,766)</u>	<u>(410,784)</u>
Net expenditure	584,913	864,525
Auditors remuneration	4,500	5,000
Taxation services	4,675	3,170
Consultancy	2,855	3,300
Depreciation	87,619	81,700
Trustees expenses	889	3,441

6 <u>INTEREST RECEIVABLE AND SIMILAR INCOME</u>	<u>£</u>	<u>£</u>
Covenant income from subsidiary undertaking	163,500	64,935
Other interest	9,660	48,632
Dividend income	<u>217,537</u>	<u>240,628</u>
	<u>390,697</u>	<u>354,195</u>

7 <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	<u>£</u>	<u>£</u>
Interest payable on short term borrowing	<u>2,629</u>	<u>3,043</u>

8 <u>TAXATION</u>	
No corporation tax is chargeable because of the company's charitable status	

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

NOTES

9 TANGIBLE FIXED ASSETS

	<u>Short lease land & buildings</u>	<u>Plant and machinery</u>	<u>Playground equipment</u>	<u>Tractors</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£	£
<u>Cost</u>						
As at 1 January 2000	178,172	797,115	159,044	18,965	25,721	1,179,017
Additions	-	92,999	12,263	-	8,873	114,135
As at 31 December 2000	<u>178,172</u>	<u>890,114</u>	<u>171,307</u>	<u>18,965</u>	<u>34,594</u>	<u>1,293,152</u>
<u>Depreciation</u>						
As at 1 January 2000	166,062	354,417	55,650	18,965	25,721	620,815
Charge for the year	4,088	70,190	11,566	-	1,775	87,619
As at 31 December 2000	<u>170,150</u>	<u>424,607</u>	<u>67,216</u>	<u>18,965</u>	<u>27,496</u>	<u>708,434</u>
<u>Net Book Value</u>						
As at 31 December 2000	8,022	465,507	104,091	-	7,098	584,718
As at 31 December 1999	<u>12,110</u>	<u>442,698</u>	<u>103,394</u>	<u>-</u>	<u>-</u>	<u>558,202</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

NOTES

9(a) **CAPITAL COMMITMENTS**

At its meeting in December 2000 the Trustees authorised the purchase of Terrace Cottage from the Harewood Estate. The cost of this acquisition will be £150,000 plus fees and other related costs. See note 15 regarding connected persons.

9(b) **WORKS OF ART**

Lord Harewood has donated in earlier years certain works of art, mirrors and porcelain and the Trustees continue to add to the collection. These items are of national significance, inalienable and historic due to their association with Harewood House and because their continued display is in the furtherance of the objectives of the charity.

These inalienable and historic assets have not been capitalised because of the significant costs involved in producing reliable market values, which the charity considers to be onerous when compared to the additional information which would be provided to users of these accounts.

The inclusion of these assets at historic cost and/or value at the date of donation would increase total funds to £9,132,316 (1999: £10,435,492).

The cost of acquiring inalienable and historic assets in the year was £70,809.

9(c) **LEASE OF HAREWOOD HOUSE**

On 4 June 1986 the Company took an assignment of a lease of Harewood House and surrounding land for a period, 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. There is an under lease of part of the property in favour of Lord and Lady Harewood on an arms length basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

NOTES**£**10 **INVESTMENTS**

Movements of investments market value

As at 1 January 2000	8,348,811
Additions	2,377,479
Disposals	(3,319,539)
Realised gains	756,303
Unrealised gains	(1,017,040)
As at 31 December 2000	<u>7,146,014</u>

The investments, which are listed on recognised stock exchanges comprised:

	<u>31.12.00</u>	<u>31.12.99</u>
	<u>£</u>	<u>£</u>
Direct listed investments		
UK	3,150,072	5,447,299
Overseas	-	-
	<u>3,150,072</u>	<u>5,447,299</u>
Indirect listed investments		
UK	2,488,387	1,026,276
Overseas	<u>1,507,555</u>	<u>1,875,236</u>
	7,146,014	8,348,811
Unlisted equity		
Harewood House Trading Limited	100	100
Cash on deposit	-	60,167
Cash on deposit with investment managers	<u>47,752</u>	<u>161,402</u>
	<u>7,193,866</u>	<u>8,570,480</u>

Material investments

Investments which comprise more than 5%
by value are:

	<u>31.12.00</u>	<u>31.12.00</u>
	<u>£</u>	<u>%</u>
Charishare Dist. Units (UK)	1,647,186	23
KWS Overseas Fund Inc	617,220	9

The unlisted equity comprises 100% of the shares of Harewood House Trading Limited incorporated in England. At 31 December 2000 the net liabilities of this company amounted to £25,144 (31 December 1999 : £25,188) and the profit for the period then ended after tax was £44 (31 December 1999 : £2,082). The company's principal activity comprises the trading and event operations ancillary to the running of Harewood House Trust Ltd and 100% of its taxable profits are donated under gift aid to the Harewood House Trust Ltd.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

<u>NOTES</u>	<u>31.12.00</u>	<u>31.12.99</u>
	<u>£</u>	<u>£</u>
11 <u>STOCKS</u>		
Guide books etc	11,792	14,962
Birds	<u>39,961</u>	<u>38,588</u>
	<u>51,753</u>	<u>53,550</u>
12 <u>DEBTORS</u>		
Loan to Harewood House Trading Ltd (group undertaking)	67,347	86,588
Trade debtors and other debtors	82,296	40,286
VAT	25,554	58,816
Prepayments and accrued income	29,905	92,262
Income tax	<u>2,430</u>	<u>17,926</u>
	<u>207,532</u>	<u>295,878</u>
The loan to Harewood House Trading Ltd is secured by a debenture over all the assets of the company. The loan is repayable over 10 years. The amounts falling due after more than one year is as follows:		
Within 1 year	20,745	19,401
Within 2 - 5 years	<u>46,602</u>	<u>67,187</u>
	<u>67,347</u>	<u>86,588</u>
13 <u>CREDITORS:</u>		
<u>AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Bank loan	6,855	28,166
Bank overdraft	37,068	91,486
Trade creditors	134,648	193,346
Other creditors including social security and other taxes	16,455	25,826
Amounts owed to group undertaking	35,697	6,049
Accruals and deferred income	<u>170,200</u>	<u>139,070</u>
	<u>400,923</u>	<u>483,943</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

NOTES

14 FUNDS

RECONCILIATION AND ANALYSIS OF MOVEMENT OF FUNDS

	<u>Unrestricted</u>	<u>Expendable</u>	<u>Total</u>	<u>Total</u>
	<u>Income Fund</u>	<u>Endowment</u>	<u>31.12.00</u>	<u>31.12.99</u>
	£	£	£	£
Opening value of funds	(4,912,936)	13,915,956	9,003,020	8,954,015
Deficit on income and expenditure account	(1,101,126)	-	(1,101,126)	(1,105,216)
Realised investment gains	-	756,303	756,303	352,842
Unrealised investment losses	-	(1,017,040)	(1,017,040)	801,379
Transfer	-	-	-	-
Closing value of funds	<u>(6,014,062)</u>	<u>13,655,219</u>	<u>7,641,157</u>	<u>9,003,020</u>

ANALYSIS OF FUND BALANCES BETWEEN ASSETS

Investments	-	7,193,866	7,193,866	8,570,480
Other net assets (liabilities)	<u>(6,014,062)</u>	<u>6,461,353</u>	<u>447,291</u>	<u>432,540</u>
	<u>(6,014,062)</u>	<u>13,655,219</u>	<u>7,641,157</u>	<u>9,003,020</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

NOTES

15 **TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS**

The Earl of Harewood and the Countess of Harewood entered into transactions with the Trust during the year.

Viscount Lascelles entered into transactions with the Trust during the year, through the following businesses in which he had a direct interest:-

Harewood Estate
Harewood Property Company Limited
Thread Cross Films Limited

Details of the transactions are:-

a Transactions with Harewood Estate £4,182

The Trust was reimbursed by the Harewood Estate for recharges of minor travel and office expenses.

b Rent and other charges to Lord and Lady Harewood £52,580

The Trust charged a rent in respect of apartments and the garden used by Lord and Lady Harewood within Harewood House. The rents charged are at market rates and were established by Messrs Carter Jonas, a third party firm of surveyors. In addition amounts were recharged for the use of utilities, a gardener and other office expenses at cost.

c Transactions with Thread Cross Films Limited £19,991

Viscount Lascelles has been charged by the Trust with the time-apportioned share of a personal assistant's salary at cost, through Thread Cross Films of which Viscount Lascelles is a director. In addition there were recharges for minor office expenses.

d Transactions with Viscount and Viscountess Lascelles £5,264

The Trust recharged the Viscount and Viscountess Lascelles with day-to-day office and other expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

NOTES

15 TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

Continued

e Purchases from the Harewood Estate £170,265

The Trust was charged rent by the Estate, determined commercially by a third party surveyor, in respect of Moor House, the Trust Head Office, staff cottages and facility fees.

In addition there were certain services for security and repairs which were provided by the Harewood Estate to the Trust and which were recharged by the Harewood Estate to the Trust at cost. This represents an amount paid to a Trustee (Viscount Lascelles) for services provided to the Charity.

f Purchases from The Harewood Property Company Limited £5,400

This represents rent payable for certain staff cottages occupied by Trust employees. Viscount Lascelles is a director of this company.

g At 31 December 2000 balances were as follows:-

Owed to the Trust by: Harewood Estate	£ 1,450
Lord and Lady Harewood	£ 10,183
Viscount and Viscountess Lascelles	£ 2,562
Thread Cross Films Limited	£ 5,386

Owed by the Trust to: Harewood Estate £16,450

As the Trust and the Harewood Estate share the above common services which are re-invoiced by the Trust or to the Harewood Estate or vice versa, invoices which are rendered near to the end of the Trust's financial year are shown in these accounts as amounts outstanding. These do not represent loans but are simply amounts outstanding as at 31 December 2000. In practice invoices are paid promptly by the Harewood Estate to the Trust.

h In addition to the foregoing, travel expenses of £651 and subsistence expenses of £238 were incurred by the board of trustees in carrying out their duties and this represents a reimbursement of trustee expenses.