

HAREWOOD HOUSE TRUST LIMITED

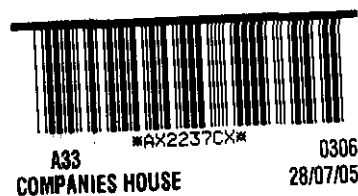
(A Company Limited by Guarantee)

Annual Report

And

Financial Statements

For the Year Ended 31 December 2004



HAREWOOD HOUSE TRUST LIMITED

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HAREWOOD HOUSE TRUST LIMITED

COMPANY INFORMATION

Trustees

Sir George W L Christie
Paul Dolan
Sir Nicholas Goodison
Sir Ernest Hall
The Right Hon The Earl of Harewood
The Right Hon The Countess of Harewood
The Viscount Lascelles
The Viscountess Lascelles
Sir Hugh H Roberts
Lord Romsey
Andrea de Vogel

Chief Executive

Terence Suthers

Company Secretary

Terence Suthers

Registered Office

Moor House,
Harewood,
Leeds, LS17 9LQ

Registered Company Number

2004021

Charity Registration Number

517753

Bankers

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

Solicitors

Wrigley's Solicitors
19 Cookridge Street,
Leeds, LS2 3AG

Auditors

Lishman Sidwell Campbell & Price Ltd
T/a Eura Audit UK
Fisher More Chambers
12-14 Westgate
Tadcaster, LS24 9AB

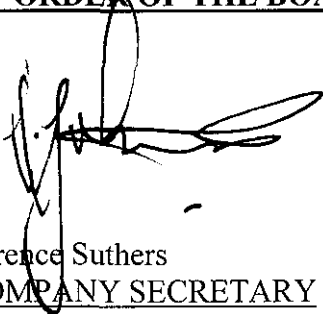
HAREWOOD HOUSE TRUST LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice hereby given that the 2005 annual general meeting of Harewood House Trust Limited will be held at Harewood House, Harewood, Leeds on 25 June 2005 to transact the following business:

1. To receive, consider and adopt the trustees' report and accounts for the year ended 31 December 2004.
2. To propose a resolution that Lishman Sidwell Campbell & Price Ltd trading as Eura Audit UK be re-appointed as auditors to the charity in accordance with Section 385 of the Companies Act 1985.
3. To accept the retirement of trustees retiring by rotation and to propose the appointment of those trustees eligible for re-election in accordance with the Articles of Association.

BY ORDER OF THE BOARD

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

Terence Suthers
COMPANY 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 2004.

Trustees

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

The trustees, who are also the directors of the charity, who served during the financial period, were:

Sir George W L Christie	The Viscount Lascelles (Chairman of Board of
Paul Dolan (appointed 9 June 2004)	Trustees and Chairman of Finance and General
Sir Nicholas Goodison	Purposes Committee)
(Vice-Chairman Finance and	The Viscountess Lascelles
General Purposes Committee)	Sir Jonathan Miller (resigned 10 November 2004)
Sir Ernest Hall	Sir Hugh H Roberts
Lord Harewood	Lord Romsey (Chairman of Audit Committee)
Lady Harewood	Roger Tempest (resigned 10 November 2004)
	Andrea de Vogel (appointed 10 November 2004)

The trustees who are also members of the charity 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 Memorandum and Articles of Association. The charity's principal advisors are shown on page 2. The charity is a company limited by guarantee and each member's liability is limited to £1,000.

Principal Activities

The charity holds a lease of Harewood House and surrounding lands. The charity'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 charity applies income generated by admissions, donations, investments grants and sponsorship to programmes of repairs and improvements to Harewood House and its grounds.

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES' REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

Organisation and Policy continued

The trustees, the finance and general purposes committee and the audit committee each meet biannually to review progress and financial controls and also approve new initiatives. The chief executive is responsible for day-to-day management and implementing the decisions of the trustees.

Achievements and Performance

2004 shall long be remembered as one of the charity's busiest and yet most satisfying years of activity for the staff and trustees alike. The charity achieved, indeed exceeded, its targets in terms of attendance and income; concluding the three year Heritage Lottery Funded *Open Minds* educational project to excellent effect and had emerged from an in depth review by the Charities Commission with a particularly positive report which highlighted several areas of best practice. By the close of the calendar year, the charity had won a long hoped for capital grant totalling £1.5million from Yorkshire Forward, the Regional Development Agency, towards the repair and refurbishment of the Grade I listed John Carr designed 1755 stables.

In the course of the year, the charity has attracted and served many thousands more visitors, earned additional income, gift aid and encouraged increased secondary spend and at the same time contained costs by deploying fewer paid staff whilst increasing the recruitment of volunteers, now totalling more than two hundred, who give up part of their week to come to Harewood to help out in so many different capacities.

The foremost credit and warm thanks goes to the charity's true heroes and heroines – the staff at the 'front line' - who have smiled, remained tirelessly patient and loyal, readily absorbed new challenges and further honed their skills throughout an all-time record year of visitor attendance, with spectacularly successful events and exhibitions. Especially notable was the success of the BBC Walking with Dinosaurs exhibition, the outdoor popular concert series and the Maids and Mistresses exhibition undertaken in partnership with six other Yorkshire houses and funded with kind assistance from the Heritage Lottery Fund for Yorkshire. The latter exhibition was complemented by the attendance of HRH Princess Anne The Princess Royal, at the opening of the permanent 'Below Stairs' exhibition which was achieved with substantial funds, totalling in excess of £500,000 over several years, from the Museums, Libraries and Archives Council's 'designated museums challenge fund'. This interactive 'visible storage' style exhibition, in which the visitor is invited to explore the collections by opening cupboards and drawers, and interrogate multiple levels of information and historic photographs and film accessible through 'touch screen' presentations, is the first of its kind in a country house museum and has proven to be hugely popular with visitors of all ages.

To have carried off these major events and new permanent exhibitions so successfully whilst also constantly being tasked by the chief executive and the trustees with generating essential extra admissions income, maximising gift aid and increasing secondary spend is a particular credit to all involved with running the various departments and day-to-day operations at Harewood during 2004.

As the chairman has intimated to the trustees, despite all of that praiseworthy effort and success, achieving break even proved to be particularly challenging. Progress towards this target is reported in the Financial Review below. Were it not for continuing subsidy and support the charity receives from the Harewood Estate (owned by David and Diane Lascelles), the public benefit that is derived from the charity's work would be severely reduced.

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES' REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

Achievements and Performance continued

The trustees are therefore especially grateful to the family trustees for that continuing practical support, confidence, inspiration and constant encouragement.

Turning to other finance-providers, it is especially helpful that the Museums Libraries and Archives Council, and Heritage Lottery Fund have supported the heritage education and access projects, and more recently in the case of Yorkshire Forward, a 50% plus VAT partnership contribution towards the major £3million buildings conservation project at the stables, the agreement for which was signed on 11 March 2005. The charity's confident belief is that we are able to reciprocate that generous assistance by demonstrating tremendous value for money by way of tangible outcomes for those public subsidies in terms of attracting new audiences, employment and training, sustainable attendance and increased satisfaction of all users of the services which it has been enabled to provide.

Value for money is increasingly important to the visitors, particularly those who regularly subscribe to our Harewood card loyalty scheme, the series ticket holders for our winter chamber concert series, and the many schools and youth organisations who send children to Harewood on national curriculum and performing arts related educational visits.

Because the charity receives no regular government or local authority revenue support, it must also maximise earned income, gradually building up some reserves in order to be able to plan ahead with greater certainty and financial confidence in terms of the heavy maintenance and capital renewal costs the trustees face in the future.

During 2004 the next level of requirements toward retaining museum registration were announced by the Museum Libraries and Archives Council. Harewood was selected for assessment during 2005 alongside the major 'hub' and national museums. The charity welcomes the emphasis towards improved standards, which in future will embrace governance and management, user services, visitor facilities and collections management. Whilst the charity will embrace the task of achieving the new standards as a priority, the workload and costs of compliance are not inconsequential. Failure would result in the charity becoming ineligible for grants.

Retail and catering operations are required to comply with similarly exacting health and safety and complex licensing requirements. Compliance with the recently introduced European working hours directive and higher minimum wage regulations cause practical and financial challenges.

Looking positively towards 2005, and the various challenges that lie ahead, the trustees have anticipated the increasing compliance requirements and have already considered and formally adopted model policies for access and education, collection and disposal and updated their 'Standing Orders' in relation to financial regulations and contracts. A new and positive Forward Plan and Business Plan is in preparation including a detailed business and training plan for the restored stables. Plans for the temporary relocation of visitor facilities including catering and retail are also in preparation necessarily involving achieving planning permission for a large structural marquee to be temporarily built near to the visitor car park for the purpose of housing catering and associated service provision.

A substantial bid to the Heritage Lottery Fund is also in preparation for submission in 2005 towards a new five-year programme of audience development directly related to widening access to and understanding of the heritage under the care of the Harewood House Trust.

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES' REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

Achievements and Performance continued

The next big challenge for the charity, similar to that of museums in general, is to better communicate cross cultural understanding and enjoyment of the built heritage and the collections. To achieve this the charity must equip itself better and in particular gain confidence and success in attracting and sustaining a truly multi-cultural audience and employing a more culturally representative workforce of paid professional staff and volunteers. Positive action in that regard is high on the agenda for 2005 and beyond, aided, it is hoped, by increased resources from Heritage Lottery Fund and other partners so that lack of funding does not of itself become a constraint to progress.

Financial Review

The results for the year ended 31 December 2004 are shown on page 12 in the consolidated statement of financial activity. Donations and visitor related income for the year show a substantial increase on the previous year as the charity enjoyed another record attendance with nearly 400,000 visitors. Total incoming resources increased to £3,448,751 (2003: £3,005,496).

Expenditure also increased as expected due to increased activity and the impact of increased costs in providing security, in rent paid and in insurances.

The charity is continuing to take steps to eliminate the operating deficit, following the recommendations of the independent financial report, which was adopted in 2003.

As set out in the Achievements and Performance statement above, reaching a breakeven position is challenging but the trends are positive and progress has been made. Net outgoing resources were reduced to £(416,018) in 2004 compared with 2003 net outgoing resources of £(633,910) and 2002 net outgoing resources of £(686,658).

The deficit on operating activities (incoming resources less operating costs) was similarly reduced to £(169,334) for the year ended 31 December 2004 compared to a deficit of £(414,733) for the year ended 31 December 2003. The budgeted position for 2005 shows a further reduction in operating deficit to £(92,105) and for the charity to achieve a balanced cash flow position overall next year.

As set out in the accounting policies on page 19, group accounts have been prepared which consolidate the results of Harewood House Trust Limited and its subsidiary Harewood House Trading Limited. The results of the subsidiary are shown on page 27, note 15. Retail profits were unchanged but catering and events showed decreased returns. The catering surplus in 2004 was £35,747 compared to £68,304 in 2003 and the reduction was as a result of reorganisation of the operations of the department and the loss of key staff. In addition, the number of wedding functions fell in the year and the reduced profit was shared with third parties. The events surplus in 2004 was £129,074 compared to £150,300 in 2003 and the reduction was as a result of the reclassification of certain activities now recognised as admissions income in the Harewood Trust Limited rather than as event income in Harewood House Trading Limited. As a result, the gift aid contribution to the parent company decreased by £51,477 over the 2003 result to £217,722.

The market value of the charity's investments increased by £320,504 to £3,965,440. As in 2003, this increase largely offset the net outgoing resources position, resulting in a net reduction in funds of £(89,850) compared with a net reduction in 2003 of £(99,143). Investment performance is considered in the Investments statement below.

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES' REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

Investments

The trustees delegate the management of its investments to two investment managers, one of whom administers a discrete investment fund and the other a collective investment fund. The finance and general purposes committee of the charity, comprising five trustees, receives quarterly reports from both managers which assists the committee to monitor their performance. The managers are not restricted in any way and are expected to maintain the capital of the fund, as shown by the appropriate indices, and to maximize income.

During the year ended 31 December 2004, the committee noted that the overall performance of the collective fund continued to exceed that of the discrete investment fund. Furthermore, the reduction in the combined value of the portfolio, compared to the original endowed fund, meant that the advantages obtained by sharing the portfolio between two managers no longer exceeded the cost of investment management fees of this shared structure. Since the year-end, the trustees have adopted alternative investment arrangements, which are intended to increase the net investment income received by the charity.

Reserves

The endowed investment funds, introduced by Lord Harewood between 1987 and 1989, are held to fund both operating activities and capital requirements and are not restricted in any way. The funds are thus described as unrestricted income and expendable endowment.

The trustees consider that the charity continues to face uncertainty as to future sources of funding. Given this uncertainty and the level of operating deficits suffered in previous years, the trustees consider it necessary to maintain a prudent level of reserves. The reserves of the charity are available to cover the 2004 deficit and the much reduced deficit which has been budgeted for 2005. They will also cover any unexpected expenditure or disruption to retail and catering activities caused by the 2005 stables block development and allow greater certainty in the planning of essential maintenance.

Statement of Trustees' Responsibility

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 charity and of the surplus or deficit of the charity 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.

HAREWOOD HOUSE TRUST LIMITED

TRUSTEES' REPORT TO THE MEMBERS OF THE HAREWOOD HOUSE TRUST LIMITED

Statement of Trustees' Responsibility continued

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.

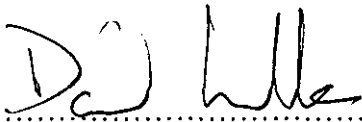
Risk Management

The trustees continually assess the risks to which the charity is exposed and are satisfied that systems are in place to mitigate those risks. The major risks identified are:

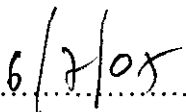
- Investment risk - the charity limits investment risk through the monitoring and policy instructions of the finance and general purposes committee in partnership with the fund managers.
- Security risk - the charity invests fully in security personnel and devices to ensure the safety of its assets. Emergency fire and evacuation plans are in place and are regularly tested and reviewed. Insurance cover is regularly assessed and is satisfactory.
- Public liability risk - staff are trained to assist members of the public and the charity is fully insured in connection with its opening to the public.

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 22, note 5.

Trustee


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Date


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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 12 to 30. 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 8, the charity's trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is 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 audit 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.

HAREWOOD HOUSE TRUST LIMITED

AUDITORS REPORT TO THE MEMBERS OF THE
HAREWOOD HOUSE TRUST LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and of the group as at 31 December 2004 and of the group's incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lishman Sidwell Campbell & Price

Lishman Sidwell Campbell & Price Ltd
T/a Eura Audit UK
Registered Auditor
Fisher More Chambers
12-14 Westgate
Tadcaster
LS24 9AB

Dated: *26 July 2005*

HAREWOOD HOUSE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY **FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTES

	<u>Unrestricted</u>	<u>Expendable</u>	<u>Total</u>	<u>Total</u>
	<u>Income</u>	<u>Endowment</u>	<u>31.12.04</u>	<u>31.12.03</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Incoming Resources:</u>				
<u>Activities to generate funds:</u>				
1 Admissions donations and events	2,080,962	-	2,080,962	1,505,634
Retail	342,893	-	342,893	345,681
Catering	652,749	-	652,749	640,685
Guide books and other book sales	47,994	-	47,994	38,673
Rents	26,460	-	26,460	26,010
	<u>3,151,058</u>	<u>-</u>	<u>3,151,058</u>	<u>2,556,683</u>
<u>Activities to further the charity's objects:</u>				
Grants & sponsorship receivable	106,056	-	106,056	231,744
Management services	36,408	-	36,408	30,797
	<u>3,293,522</u>	<u>-</u>	<u>3,293,522</u>	<u>2,819,224</u>
<u>Investment income:</u>	125,243	-	125,243	145,421
<u>Other income:</u>	29,986	-	29,986	40,851
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Incoming Resources</u>	<u>3,448,751</u>	<u>-</u>	<u>3,448,751</u>	<u>3,005,496</u>
<u>Resources Expended:</u>				
<u>Costs of activities in furtherance of</u>				
<u>charity's objectives</u>				
Property held for preservation	207,708	-	207,708	369,874
Maintaining property open to the public	1,108,913	-	1,108,913	1,110,394
<u>Cost of generating funds:</u>				
2 Fund raising and publicity	2,120,878	12,127	2,133,005	1,795,999
<u>Support costs:</u>				
3 Management and administration	415,143	-	415,143	363,139
	<u>3,852,642</u>	<u>12,127</u>	<u>3,864,769</u>	<u>3,639,406</u>
<u>Net Outgoing Resources</u>	<u>(403,891)</u>	<u>(12,127)</u>	<u>(416,018)</u>	<u>(633,910)</u>
Realised gains on investment assets	-	176,897	176,897	63,901
Unrealised gains on investment assets	-	149,541	149,541	470,866
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	(403,891)	314,311	(89,580)	(99,143)
Funds brought forward at 1.1.04	(8,037,089)	12,183,101	4,146,012	4,245,155
Transfer of funds	8,440,980	(8,440,980)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Funds Carried Forward at 31.12.04</u>	<u>-</u>	<u>4,056,432</u>	<u>4,056,432</u>	<u>4,146,012</u>

Movement in funds is disclosed in Note 16 to the financial statements.

The notes form part of these financial statements.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2004

	<u>31.12.04</u>	<u>31.12.03</u>
	<u>£</u>	<u>£</u>
1 <u>Admissions, Donations and Events</u>		
Donations under gift aid	1,144,559	996,547
Admissions	590,277	338,469
Special events	346,126	170,618
	<u>2,080,962</u>	<u>1,505,634</u>
 2 <u>Fund Raising and Publicity</u>		
Bird garden operating costs	201,886	148,281
Marketing and site operating costs	586,550	519,051
Special events, retail and catering	1,016,548	936,867
Concerts and exhibitions	198,112	65,461
Management	117,782	110,491
Investment management fees (charged to expendable endowment)	12,127	15,848
	<u>2,133,005</u>	<u>1,795,999</u>
 3 <u>Management and Administration</u>		
Salaries and office costs	312,602	238,406
Legal and professional fees	39,882	70,337
Rent	48,033	40,335
Audit fees	9,215	8,605
Trustees meeting expenses	2,681	2,385
Trustees indemnity insurance	2,730	3,071
	<u>415,143</u>	<u>363,139</u>

The accounting policy for the treatment of expenditure is set out on page 20.

The notes form part of these financial statements.

HAREWOOD HOUSE TRUST LIMITED**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**
FOR THE YEAR ENDED 31 DECEMBER 2004

	<u>NOTE</u>	<u>Unrestricted</u> <u>Income</u> <u>31.12.04</u> <u>£</u>	<u>Unrestricted</u> <u>Income</u> <u>31.12.03</u> <u>£</u>
<u>Turnover</u>		3,235,203	2,678,904
Operating and administrative expenses		(3,748,924)	(3,422,330)
<u>Operating (Deficit)</u>	5	(513,721)	(743,426)
Interest receivable and similar income	6	125,243	145,421
Interest payable and similar charges	7	(15,413)	(35,905)
<u>(Deficit) on Ordinary Activities</u>		(403,891)	(633,910)
Tax on (deficit) on ordinary activities	8	-	-
(Deficit) brought forward		(8,037,089)	(7,403,179)
Surplus transferred from expendable endowment		8,440,980	-
<u>Retained (Deficit) Carried Forward</u>		-	(8,037,089)
<u>Total Recognised Gains and Losses</u>			
(Deficit) on unrestricted income fund		(403,891)	(633,910)
(Deficit) on expendable endowment fund		(12,127)	-
Realised gains on disposal of investments	16	176,897	63,901
Unrealised gains on investments	16	149,541	470,866
Total recognised (losses) relating to the year		(89,580)	(99,143)

Continuing Operations

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

The notes form part of these financial statements.

HAREWOOD HOUSE TRUST LIMITED**CONSOLIDATED BALANCE SHEET**
AS AT 31 DECEMBER 2004

	<u>Notes</u>	<u>Group</u> <u>31.12.04</u> <u>£</u>	<u>Group</u> <u>31.12.03</u> <u>£</u>
<u>Fixed Assets</u>			
Tangible assets	9	764,810	804,967
Investments	10	<u>3,965,440</u>	<u>3,644,936</u>
		4,730,250	4,449,903
<u>Current Assets</u>			
Stocks	11	53,056	97,168
Debtors	12	177,220	195,378
Cash at bank and in hand		<u>3,605</u>	<u>4,203</u>
		233,881	296,749
<u>Creditors</u> - amounts falling due within one year	13	<u>(793,704)</u>	<u>(465,542)</u>
<u>Net Current (Liabilities)</u>		<u>(559,823)</u>	<u>(168,793)</u>
		4,170,427	4,281,110
<u>Creditors</u> - amounts falling due after more than one year	14	<u>(113,995)</u>	<u>(135,098)</u>
<u>Total Net Assets</u>		<u>4,056,432</u>	<u>4,146,012</u>

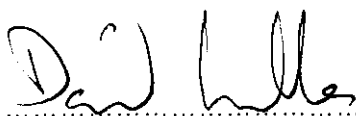
Financed by:

Funds

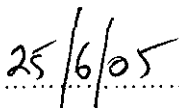
Expendable Endowment	16	4,056,432	12,183,101
Unrestricted Income Fund	16	-	(8,037,089)

4,056,4324,146,012

Trustee.....



Approved by the Board on.....



The notes form part of these financial statements.

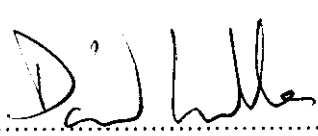
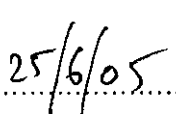
HAREWOOD HOUSE TRUST LIMITED**CHARITY BALANCE SHEET**
AS AT 31 DECEMBER 2004

	<u>Notes</u>	<u>Charity</u> <u>31.12.04</u> £	<u>Charity</u> <u>31.12.03</u> £
<u>Fixed Assets</u>			
Tangible assets	9	698,629	741,837
Investments	10	<u>3,965,540</u>	<u>3,645,036</u>
		4,664,169	4,386,873
<u>Current Assets</u>			
Stocks	11	10,237	58,536
Debtors	12	318,564	260,321
Cash at bank and in hand		<u>3,127</u>	<u>3,533</u>
		331,928	322,390
<u>Creditors</u> - amounts falling due within one year	13	<u>(797,463)</u>	<u>(394,948)</u>
<u>Net Current (Liabilities)</u>		<u>(465,535)</u>	<u>(72,558)</u>
		4,198,634	4,314,315
<u>Creditors</u> - amounts falling due after more than one year	14	(106,030)	(135,098)
<u>Total Net Assets</u>		<u>4,092,604</u>	<u>4,179,217</u>

Financed by:

Funds

Expendable Endowment	4,092,604	12,183,101
Unrestricted Income Fund	-	(8,003,884)
	<u>4,092,604</u>	<u>4,179,217</u>

Trustee.....Approved by the Board on.....

The notes form part of these financial statements.

HAREWOOD HOUSE TRUST LIMITED

CONSOLIDATED CASH FLOW STATEMENT **FOR THE YEAR ENDED 31 DECEMBER 2004**

	<u>Notes</u>	<u>31.12.04</u>		<u>31.12.03</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Net Outgoing Resources</u>	1		(213,894)		(645,638)
<u>Before Financing</u>					
<u>Returns on investment and servicing of finance</u>					
Investment income received		125,243		145,421	
Interest paid		<u>(15,413)</u>		<u>(35,905)</u>	
			109,830		109,516
<u>Capital expenditure</u>					
Purchase of tangible fixed assets		(79,151)		(121,138)	
Sale of tangible fixed assets		-		-	
			(79,151)		(121,138)
<u>Management of liquid resources</u>					
Purchase of investments		(1,098,561)		(1,013,120)	
Sales of investments		<u>1,104,494</u>		<u>2,447,065</u>	
			5,933		1,433,945
<u>Financing</u>					
Lease finance		3,408		53,404	
Loan repaid		<u>(14,492)</u>		<u>(20,551)</u>	
			(11,084)		32,853
<u>(Decrease)/ Increase in Cash</u>					
<u>And Cash Equivalents</u>	2		<u>(188,366)</u>		<u>809,538</u>

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

	<u>Group</u> <u>31.12.04</u> <u>£</u>	<u>Group</u> <u>31.12.03</u> <u>£</u>
Operating loss - income fund	(513,721)	(743,426)
Operating loss - expendable endowment	(12,127)	-
Depreciation	119,308	123,877
Decrease/(increase) in stocks	44,112	(15,362)
Decrease/(increase) in debtors	18,158	(15,126)
Increase in creditors	130,376	4,399
	<u>(213,894)</u>	<u>(645,638)</u>

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

	<u>£</u>
Balance at 1 January 2003	(862,856)
Net inflow	<u>809,538</u>
Balance at 31 December 2003	<u>(53,318)</u>
Balance at 1 January 2004	(53,318)
Net outflow	<u>(188,366)</u>
Balance at 31 December 2004	<u>(241,684)</u>

Analysed in balance sheet

Cash at bank and in hand	3,605
Bank overdraft	<u>(245,289)</u>
Net funds and debt at 31 December 2004	<u>(241,684)</u>

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2004**

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 SORP 2000 and the Companies Act as modified by the inclusion of fixed asset investments at market value. These financial statements consolidate the statement of financial activity and the balance sheet of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis. No separate statement of financial activity has been presented for the charity alone as permitted by s230 Companies Act 1985 and paragraph 304 of the SORP.

(b) Incoming resources

Incoming resources 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.

(c) Tangible fixed assets

Expenditure on assets less than £100 is not capitalised.

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

Motor vehicles and tractors	-	20% reducing balance
Plant and machinery	-	10% - 20% reducing balance
Playground equipment	-	10% reducing balance
Leasehold property and buildings	-	2% - 5% straight line

(d) Stocks

Stocks are valued at the lower of cost or net realisable value. The Bird Collection has no realisable value and has therefore been eliminated from stocks as at 31 December 2004.

(e) Investments

Realised and unrealised surpluses and deficits on investments are dealt with through the statement of financial activities. Income from investments is accounted for when it is received. Investments are stated at market value.

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2004**

2 Accounting Policies continued

(f) Pensions

The charity operates a defined contribution scheme. Contributions payable for the year are charged in the income and expenditure account.

(g) Grants and other incoming resources

Grants towards revenue expenditure are credited to the statement of financial activities in the period in which they are received. Grants towards capital expenditure are recognised in the statement of financial activities in the period in which they are received.

(h) 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.

3 (a) 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 due to their association with Harewood House. Their continued display is in the furtherance of the objectives of the charity.

These 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 £5,539,536.

(b) 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. There is an under lease of part of the property in favour of Lord and Lady Harewood on an arms length basis.

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

<u>NOTES</u>		<u>31.12.04</u>	<u>31.12.03</u>
4	<u>Staff Costs</u>	<u>£</u>	<u>£</u>
	Wages and salaries	1,416,876	1,337,862
	National insurance	104,649	101,014
	Pension costs	61,601	61,959
	Pension provision released	-	(63,707)
		<u>1,583,126</u>	<u>1,437,128</u>

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

	<u>31.12.04</u>	<u>31.12.03</u>
	<u>No</u>	<u>No</u>
House & admissions	30	30
Bird Garden	5	5
Gardens	12	13
Retail & catering	21	18
Events	16	14
Support & management	29	30
	<u>113</u>	<u>110</u>
Full time including full-time equivalents		

The number of employees whose emoluments as defined for taxation purposes amounted to more than £50,000 in the year was as follows:

	<u>31.12.04</u>	<u>31.12.03</u>
	<u>No</u>	<u>No</u>
£50,000 - £60,000	-	1
£60,000 - £70,000	1	-

Pension contributions for high earners were £18,604 (2003 : £17,658).

The trustees receive no remuneration for their services. Meeting expenses are shown in note 5 below.

HAREWOOD HOUSE TRUST LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2004

<u>NOTES</u>		<u>31.12.04</u>	<u>31.12.03</u>
5	<u>Operating Deficit</u>	<u>£</u>	<u>£</u>
	The operating deficit is stated after charging		
	Major renovation and project costs	207,708	369,875
	Less grants received	<u>(39,200)</u>	<u>(153,375)</u>
	Net major renovation and project costs	168,508	216,500
	Auditors remuneration	9,215	8,605
	Auditors fees for other services	22,348	9,403
	Consultancy	27,364	60,934
	Depreciation	119,308	123,877
	Trustees meeting expenses	2,681	2,385
	Trustees indemnity insurance	2,730	3,071
	The charity has purchased executive liability insurance to protect it from loss arising from neglect or defaults of its trustees and professional indemnity insurance to indemnify it against loss arising from neglect or default of its employees and any person acting on its behalf.		
6	<u>Interest Receivable and Similar Income</u>	<u>£</u>	<u>£</u>
	Other interest	3,546	82
	Dividend income	<u>121,697</u>	<u>145,339</u>
		<u>125,243</u>	<u>145,421</u>
7	<u>Interest Payable and Similar Charges</u>	<u>£</u>	<u>£</u>
	Interest payable on short term borrowing	<u>15,413</u>	<u>35,905</u>
8	<u>Taxation</u>		
	(a) Charity - No corporation tax is chargeable because of the company's charitable status.		
	(b) Subsidiary - 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 2004**

NOTES

9	<u>Group Tangible Fixed Assets</u>	<u>Long lease</u>		<u>Plant and</u>	<u>Playground</u>	<u>Tractors</u>	<u>Motor</u>	<u>Total</u>
		<u>land &</u>	<u>buildings</u>	<u>machinery</u>	<u>equipment</u>		<u>vehicles</u>	
		£	£	£	£	£	£	£
Cost								
As at 1 January 2004		388,086		1,329,922	185,058	49,780	113,010	2,065,856
Additions		450		78,701	-	-	-	79,151
Disposals		-		(4,133)	-	-	-	(4,133)
As at 31 December 2004		<u>388,536</u>		<u>1,404,490</u>	<u>185,058</u>	<u>49,780</u>	<u>113,010</u>	<u>2,140,874</u>
Depreciation								
As at 1 January 2004		243,646		838,517	97,798	23,066	57,862	1,260,889
Disposals		-		(4,133)	-	-	-	(4,133)
Charge for the year		3,943		90,266	8,726	5,343	11,030	119,308
As at 31 December 2004		<u>247,589</u>		<u>924,650</u>	<u>106,524</u>	<u>28,409</u>	<u>68,892</u>	<u>1,376,064</u>
Net Book Value								
As at 31 December 2004		<u>140,947</u>		<u>479,840</u>	<u>78,534</u>	<u>21,371</u>	<u>44,118</u>	<u>764,810</u>
As at 31 December 2003		<u>144,440</u>		<u>491,405</u>	<u>87,260</u>	<u>26,714</u>	<u>55,148</u>	<u>804,967</u>

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

NOTES

9 Cont'd <u>Charity Tangible Fixed Assets</u>	<u>Long lease</u> <u>land &</u> <u>buildings</u>		<u>Plant and</u> <u>machinery</u>		<u>Playground</u> <u>equipment</u>		<u>Tractors</u>		<u>Motor</u> <u>vehicles</u>		<u>Total</u>	
	£	£	£	£	£	£	£	£	£	£	£	£
<u>Cost</u>												
As at 1 January 2004	330,277	1,031,191	185,058	49,780	113,010	1,709,316						
Additions	-	47,427	-	-	-	47,427						
Disposals	-	-	-	-	-	-						
As at 31 December 2004	<u>330,277</u>	<u>1,078,618</u>	<u>185,058</u>	<u>49,780</u>	<u>113,010</u>	<u>1,756,743</u>						
<u>Depreciation</u>												
As at 1 January 2004	182,887	605,866	97,798	23,066	57,862	967,479						
Disposals	-	-	-	-	-	-						
Charge for the year	3,823	61,713	8,726	5,343	11,030	90,635						
As at 31 December 2004	<u>186,710</u>	<u>667,579</u>	<u>106,524</u>	<u>28,409</u>	<u>68,892</u>	<u>1,058,114</u>						
<u>Net Book Value</u>												
As at 31 December 2004	143,567	411,039	78,534	21,371	44,118	698,629						
As at 31 December 2003	<u>147,390</u>	<u>425,325</u>	<u>87,260</u>	<u>26,714</u>	<u>55,148</u>	<u>741,837</u>						

HAREWOOD HOUSE TRUST LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2004**NOTES**

	<u>Group</u> <u>31.12.04</u> £	<u>Group</u> <u>31.12.03</u> £
10 <u>Group Investments</u>		
Movements of investments market value		
As at 1 January 2004	3,644,936	4,544,114
Additions	1,098,561	1,013,120
Disposals	(1,104,494)	(2,447,065)
Realised gains	176,897	63,901
Unrealised gains	149,541	470,866
As at 31 December 2004	<u>3,965,440</u>	<u>3,644,936</u>

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

	<u>Group</u> <u>31.12.04</u> £	<u>Group</u> <u>31.12.03</u> £
Direct listed investments and cash balances		
UK	1,607,111	1,285,800
Overseas	-	-
	<u>1,607,111</u>	<u>1,285,800</u>
Indirect listed investments		
UK	1,496,065	1,594,767
Overseas	862,264	764,369
	<u>2,358,329</u>	<u>2,359,136</u>
As at 31 December 2004	<u>3,965,440</u>	<u>3,644,936</u>

Material Investments

Investments which comprise more than 5% by value are:

	<u>31.12.04</u> £	<u>31.12.04</u> %
Charishare Dist. Units (UK)	1,340,050	34
KWS Overseas Fund Inc	196,765	5
Charinco Dist Units Fixed Interest (UK)	192,169	5

Charity Investments

Investments held by the charity also include £100 investment in the subsidiary company at market value (2003: £100).

	<u>Charity</u> <u>31.12.04</u> £	<u>Charity</u> <u>31.12.03</u> £
Market value including investment in subsidiary at cost	3,965,540	3,645,036

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

NOTES	<u>Group</u> <u>31.12.04</u> <u>£</u>	<u>Group</u> <u>31.12.03</u> <u>£</u>	<u>Charity</u> <u>31.12.04</u> <u>£</u>	<u>Charity</u> <u>31.12.03</u> <u>£</u>
11 <u>Stocks</u>				
Retail, catering and guide books	53,056	55,879	10,237	17,247
Bird collection	-	41,289	-	41,289
	<u>53,056</u>	<u>97,168</u>	<u>10,237</u>	<u>58,536</u>
12 <u>Debtors</u>				
Trade debtors	45,016	56,952	21,390	25,949
Other debtors	2,293	619	2,292	619
Amounts owed by Trading subsidiary	-	-	182,823	101,499
Loan to Trading subsidiary	-	-	-	9,935
VAT	-	15,643	-	29,703
Prepayments	<u>129,911</u>	<u>122,164</u>	<u>112,059</u>	<u>92,616</u>
	<u>177,220</u>	<u>195,378</u>	<u>318,564</u>	<u>260,321</u>
The charity charges interest at 2% over Bank of England base rate on loans to the subsidiary company.				
13 <u>Creditors:</u> <u>amounts falling due within one year</u>				
Bank loan	21,043	21,043	21,043	21,043
Bank overdraft	245,289	57,521	242,587	55,681
Loan from Harewood Estate	206,680	89,082	206,680	89,082
Trade creditors	105,512	107,969	76,388	83,791
Other creditors including social security and other taxes	76,767	34,224	58,050	26,617
Amounts owed to Trading subsidiary	-	-	131,202	56,954
Accruals	59,382	77,827	30,975	37,660
Event deposits in advance	49,524	58,385	7,823	4,629
Lease purchase	<u>29,507</u>	<u>19,491</u>	<u>22,715</u>	<u>19,491</u>
	<u>793,704</u>	<u>465,542</u>	<u>797,463</u>	<u>394,948</u>
14 <u>Creditors:</u> <u>amounts falling due after one year</u>				
Lease purchase	21,373	27,981	13,408	27,981
Bank loan	<u>92,622</u>	<u>107,117</u>	<u>92,622</u>	<u>107,117</u>
	<u>113,995</u>	<u>135,098</u>	<u>106,030</u>	<u>135,098</u>

Within creditors, the bank loan and overdraft and the loan from the Harewood Estate are unsecured.

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

NOTES

15 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, namely retail gift shops, catering and special events. All activities have been consolidated on a line by line basis in the statement of financial activity. The total net profit is gifted to the charity.

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

Summary Profit & Loss Account

	<u>Retail</u> <u>31.12.04</u> <u>£</u>	<u>Catering</u> <u>31.12.04</u> <u>£</u>	<u>Events</u> <u>31.12.04</u> <u>£</u>	<u>Total</u> <u>31.12.04</u> <u>£</u>	<u>Total</u> <u>31.12.03</u> <u>£</u>
Turnover	345,038	663,069	284,578	1,292,685	1,302,490
Cost of sales	262,579	402,158	86,386	751,123	740,381
Gross profit	82,459	260,911	198,192	541,562	562,109
Administrative expenses	32,531	225,164	69,118	326,813	295,349
Net profit	49,928	35,747	129,074	214,749	266,760
Gift aid donation				217,722	269,199
(Loss)/profit after gift aid to parent company				(2,973)	(2,439)

Summary Balance Sheet

	<u>31.02.04</u> <u>£</u>	<u>31.02.03</u> <u>£</u>
Fixed assets	76,176	73,125
Current assets	123,257	138,589
Current liabilities	(216,318)	(234,277)
Liabilities due after more than one year	(8,651)	-
Net liabilities	(25,536)	(22,563)
Represented by:		
Share capital	100	100
Reserves	(25,636)	(22,663)
	(25,536)	(22,563)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

NOTES

16 Group Funds

Reconciliation and Analysis of Movement in Funds

	<u>Unrestricted Income Fund</u>	<u>Expendable Endowment</u>	<u>Total 31.12.04</u>	<u>Total 31.12.03</u>
	£	£	£	£
Opening value of funds	(8,037,089)	12,183,101	4,146,012	4,245,155
Net (outgoing) resources	(403,891)	(12,127)	(416,018)	(633,910)
Realised investment gains	-	176,897	176,897	63,901
Unrealised investment gains	-	149,541	149,541	470,866
Transfer	8,440,980	(8,440,980)	-	-
Closing value of funds	-	4,056,432	4,056,432	4,146,012

Analysis of Group Net Assets Between Funds

Investments	-	3,965,440	3,965,440	3,644,936
Other net assets	-	90,992	90,992	501,076
	-	4,056,432	4,056,432	4,146,012

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

NOTES

17 Transactions with Trustees and Connected Persons

The Earl of Harewood and the Countess of Harewood entered into transactions with the charity during the year as follows:

Rent and other charges to Lord and Lady Harewood £59,615 (2003: £66,229)

The charity charged 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.

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

The Harewood Estate
The Harewood Property Company Limited
The Culture Company
Thread Cross Films Limited

Details of the transactions are: -

(a) Transactions with Harewood Estate £6,227 (2003: £22,629)

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

(b) Transactions with Viscount and Viscountess Lascelles £4,895 (2003: £10,927)

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

(c) Transactions with Thread Cross Films Limited £460 (2003: nil)

The charity recharged the Viscount Lascelles with day-to-day office expenses.

(d) Purchases from the Harewood Estate £340,974 (2003: £207,739)

The charity was charged rent by the Harewood Estate, determined commercially by a third party surveyor, in respect of Moor House, the charity's head office, staff cottages and facility fees.

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

NOTES

17 Transactions with Trustees and Connected Persons continued

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

(e) Purchases from Photo Arts 2000 t/a The Culture Company

The charity was charged a fee of £20,600 (2003: £20,300) by The Culture Company, a registered charity, for providing curatorial services to contemporary art exhibitions within Harewood House. Viscount Lascelles is a director and trustee of The Culture Company. No financial reward was received for his involvement.

(f) At 31 December 2004 balances were as follows: -

Owed to the charity by:

Harewood Estate	£763	(2003: £400)
Lord and Lady Harewood	£11,376	(2003: £12,162)
Viscount and Viscountess Lascelles	£623	(2003: £742)
Thread Cross Films	£541	(2003: nil)

These amounts were repaid shortly after the year-end.

As the charity and the Harewood Estate share the above common services which are re-invoiced by the charity to the Harewood Estate or vice versa, invoices which are rendered near to the end of the charity'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 2004. In practice invoices are paid promptly to the charity.

Owed by the charity to:

Harewood Estate	£ 221,293	(2003: £99,731)
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- (g) In addition to the foregoing, meeting expenses of £2,681 (2003: £2,385) were incurred by the board of trustees in carrying out their duties. These items represent a reimbursement of trustee expenses.