

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 2016

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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

Iwona Blazwick
Jeremy Burton
Paul Dolan
Sir Nicholas Goodison (Resigned 16 July 2016)
Patricia, Dowager Countess of Harewood
David Lascelles, Earl of Harewood
Diane Lascelles, Countess of Harewood
Charles Sebag-Montefiore
Sir Hugh Roberts
Emily Shard
Andrea Walton

Chairman

David Lascelles, Earl of Harewood (resigned August 2016;
reappointed January 2017)

Interim Chairman

Paul Dolan (appointed August 2016; resigned January 2017)

Chief Executive

Christopher Ussher (Retired August 2016)

Interim Trust Director

David Lascelles, Earl of Harewood (Appointed August 2016;
resigned January 2017)

Trust Director

Jane Marriott (Appointed January 2017)

Registered Office & Principal Office

Harewood House,
Harewood,
Leeds, LS17 9LG

Registered Company Number

2004021

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

Eura Audit (Northallerton) Limited
Statutory Auditors
87 South Parade
Northallerton
DL7 8SJ

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 2016.

Directors and Trustees

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

Committee Membership at 31 December 2016

Iwona Blazwick		
Jeremy Burton	A F C	
Paul Dolan	A F	(Deputy Chairman of the Board of Trustees, Interim Chairman of the Board of Trustees from August 2016, Chairman of Finance & General Purposes Committee and Chairman of Audit Committee)
Sir Nicholas Goodison	A F N	(Resigned as Trustee and member of Finance & General Purposes Committee July 2016)
Patricia, Dowager Countess of Harewood		
David Lascelles, Earl of Harewood	N	(Temporarily stepped down from Chairman from August 2016 to January 2017)
Diane Lascelles, Countess of Harewood		
Sir Hugh Roberts	N C	
Emily Shard	F	
Andrea Walton		
Charles Sebag-Montefiore	A F C	
	A = member of Audit Committee	
	F = member of Finance & General Purposes Committee	
	N = member of Nominations Committee	
	C = member of Collections Committee	

The Trustees who are also members of the Charity are Paul Dolan, Sir Nicholas Goodison (until 16 July 2016), Iwona Blazwick, David Lascelles, Earl of Harewood and Diane Lascelles, Countess of Harewood.

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 27 January 2012. 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 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.

HAREWOOD HOUSE TRUST LIMITED

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

The Trustees meet biannually; in addition, there are three committees of Trustees, being the Finance and General Purposes Committee, the Audit Committee and the Nominations Committee. The Finance and General Purposes Committee meets at least twice a year 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. 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 Nominations Committee meets as and when required. The Chief Executive is responsible for day-to-day management and implementing the decisions of the Trustees.

The pay and remuneration of the Charity's key management personnel is approved by the Finance & General Purposes Committee. The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. Remuneration benchmarks have regard to any comparable positions in similar organisations or sectors, taking account of any differences in responsibilities where known and any recent difficulties in recruitment of suitable candidates.

The Charity owns all of the share capital of Harewood House Trading Limited, the activities and results of which are shown at note 26 on page 33. During the year ended 31 December 2016, Harewood House Trading Ltd delivered the non-primary purpose trading activities. The non-primary purpose trading activities were previously delivered directly through Harewood Hospitality & Events LLP, which ceased trading in 2015 and was placed into Members' Voluntary Liquidation and dissolved during 2016.

Harewood House Trading Ltd and Harewood Hospitality & Events LLP are fully consolidated within the group accounts, which increases the level of turnover, assets and liabilities. The share of Harewood Hospitality & Events LLP which is attributable to Picotus Ltd is shown as a Minority Interest.

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.

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

Objectives and Activities

In setting the objectives and planning activities, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

The Charity holds a lease for Harewood House and surrounding lands. The objectives of the Charity are:

- to preserve for the public benefit Harewood House, its ancillary buildings, gardens, arboreta, woodlands and park which the Charity holds on long lease and works of art donated by the late 7th Earl of Harewood, on loan from his estate and those acquired by the Charity
- 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

HAREWOOD HOUSE TRUST LIMITED

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

- to advance the education of the public in the arts and sciences.

In order to achieve its objectives in the year ended 31 December 2016, the Charity undertook the following activities:

- maintaining the historic buildings and gardens;
- continuing to conserve and interpret the collections;
- maximising access to all and providing a high quality service to all visitors, including those with disabilities;
- developing exhibitions, educational programmes and publications and encouraging scholarly use of the collections;
- providing a range of events which are in sympathy with the inherent qualities of Harewood;
- encouraging corporate partnerships through sponsorship and other fundraising activities to support the Charity's work.

Strategic Report

Sections A to F below comprise the Strategic Report section of the Trustees' Report for the year ended 31 December 2016.

A - Achievements and Performance

General

2016 was a year of consolidation for the Trust, with the retirement, in August, of the Chief Executive, Christopher Ussher. The Trustees wish to express their thanks for the significant contribution made by him since his first involvement in 2013, when he led the comprehensive operational review and initiated substantial changes which have helped the Trust to move towards a long term sustainable financial platform. In August, David Lascelles temporarily stepped down as Chairman in order to act as interim Trust Director for the remainder of the year.

Following a comprehensive recruitment process, the Trust was delighted to be able to appoint Jane Marriott to the post of Trust Director with effect from late January 2017. Jane joins Harewood from Yorkshire's award-winning art gallery The Hepworth Wakefield, where she has held the position of Managing Director and formerly Deputy Director since August 2014. Before joining the gallery, Jane was the Director of Development and Director of the Royal Academy Trust at the Royal Academy of Arts (RA) in London.

The table below summarises the number of visitors welcomed to Harewood during the past four years. These figures exclude visitors attending hosted third party events

	2016	2015	2014	2013
Member visits	62,473	49,074	48,873	58,158
Day visitors & groups	90,209	91,413	81,496	91,892
School visitors	5,426	3,824	4,051	4,094
Totals	<u>158,108</u>	<u>144,311</u>	<u>134,420</u>	<u>154,144</u>

Note that the winter closure period only began in late 2013.

HAREWOOD HOUSE TRUST LIMITED

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

Improvements in the Park, in particular, the introduction of the new Farm Experience and the relaunch of the Capability Brown boat on the Lake, supported an increase in ticket prices whilst maintaining visitor numbers and membership recruitment. A relocated information Centre and Shop has encouraged better engagement of visitors with our staff, improving the enjoyment and educational aspects of their visits. To further encourage footfall and increase the affordability of tickets, promotional offers and ticket sales via popular discount schemes were introduced at various points throughout the season.

The Trust implemented a new ticketing and customer relationship management system at the beginning of the year, allowing quicker, more efficient payments at visitor reception. The system also enables more detailed reporting and the identification of visitor information trends to inform future visitor support and marketing.

Volunteers continue to play a pivotal role in the success of Harewood and their involvement and contributions are greatly valued. To improve support for our Volunteers and ensure that their generous help is effectively utilised, the Trust appointed a Volunteer Coordinator at beginning of the year. Volunteers provided just over 3,000 days (18,000 hours) of support and we grew our active volunteer numbers from 217 to 232 during the season.

Repairing and maintaining the Trust's assets, the property open to the public and conserving our Collections remains a strong focus. Our total investment across these areas in 2016 was £1,015,303 (2015: £971,039).

A specialist assessment of long term capital works required across the House and Grounds was concluded in 2016. Capital works undertaken or started during 2016 (and funded by the restricted Capital and Projects Fund) include: the installation of a biomass powered wet heating and hot water system to the Courtyard; and addressing electrical testing and upgrading within Harewood House. Future projects identified by the specialist assessment will be prioritised according to urgency and benefit and will be carried out as funding allows.

Fundraising and trading activities

Contribution from fundraising activities was some £288,542 (2015: £324,907). This is a reduction on last year due largely to the substantial benefit from the Country Land and Business Association Game Fair in 2015. Other third party event fees have been improved, with the season fully booked.

The contribution from our fine dining offering was disappointing and we are reviewing how to improve the income we can generate from this activity. In 2016, we stopped hosting weddings and similar events in our Courtyard setting until we can reassess our offering and ensure a profitable contribution to the Trust.

We have continued to partner with the Yorkshire Party Company Limited to deliver our catering offering for visitors.

Filming activities have again provided a direct positive financial contribution to the Trust and a wider benefit of increased interest and awareness of Harewood House. The most high profile of these was the popular airing of 'Victoria' on ITV and the Trust was also able to secure an exhibition displaying some of the costumes worn by the actors for our 'Victorian Harewood' theme for 2017. Alongside Victoria, the Trust hosted various smaller productions including a screen play for BBC 2 'Charles III' and an independent film 'Ghost Stories'.

HAREWOOD HOUSE TRUST LIMITED

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

House and Collections

During 2016, the Trust enabled a series of exhibitions in support of its charitable objectives and celebrating the tercentenary of Lancelot 'Capability' Brown;

- Art of the Landscape
- Jorma Puranen's *Shade into Shade*
- Thomas A Clark's *the grove of delight*. Clark's exhibition was his personal response to the Capability Brown landscape through a mixture of words, images and objects.
- Nature, design and 'Capability' Brown

Harewood House Trust is in the process of renewing its full Museums accreditation with support from a consultant specialist.

The Trust had a successful Attingham Summer School visit including an excellent talk by Dame Rosalind Savill on our Sevres. The Capability Brown programme continued through walks and talks, including 'an afternoon in the company of the great Victorian photographer Roger Fenton' and 'walking through the landscape with Lancelot Capability Brown. We also offered workshops with live costumed guides in the house and a performance in the Steward's Room, a discovery talk and trail. In partnership with the University of Leeds Yorkshire Year of the Textile, artist Sue Lawty, led a popular family workshop open to all visitors creating a 'carpet' collage. A partnership with the Ilkley Literature Festival presented an 'in conversation' event with artist Thomas Clark, exploring a lifetime's relationship between the artist's practice, walking and nature. Harewood's Electricity Story, funded by ACE's Culture Capital Exchange, came to fruition with two Leeds University events and the Heritage Open Day performance on campus.

Grounds and gardens

A focus in 2016 has been the ongoing development of a Tree Management Plan. This involves an overall strategy for managing trees, raising understanding of tree-related issues and ensuring that decisions are taken with regards to both conservation and health and safety. A collaboration with Leeds University and York University is enabling research around tree ecology, biodiversity and environmental management. This includes applications for funding towards student internship placements working on tree inspection and mapping across some of the larger areas of the park.

In Capability Brown's Tercentenary year, more than 200 oak trees grown from Harewood acorns were lined-out in a nursery bed, with a further 300 seed of oak, sweet chestnut and beech having already been sown for lining-out next year. Going forward, this seed-collection and planting will take place annually and produce a successional crop of trees for eventual planting in the park. A nursery site is being discussed to facilitate this to enable Harewood to become self-sufficient in the production of parkland trees.

Bird Garden and Farm

The redevelopment of the Bird Garden continued with much ground clearing, landscaping, pruning and fencing. The Trust successfully opened the Farm Experience for 2016, introducing free daily talks and animal handling sessions with a variety of animals including pigs, alpacas, goats, rabbits, guinea pigs and donkeys.

As part of the endangered species breeding programme a female Bali Starling was brought in to pair with the existing male. The Trust also plans to bring in a pair of Satyr tragopan for our Himalayan aviaries. A second palm cockatoo chick has fledged which will be highly important to the breeding programme, as there are very few zoo collections breeding this species.

HAREWOOD HOUSE TRUST LIMITED

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

The Trust welcomed Olivier Nsengimana to Harewood as part of the recently formed partnership with his conservation project 'Saving Rwanda's Crowned Cranes' which we have as part of the collection at Harewood. In addition, we have assisted students from Leeds University who are looking at his project as a potential for an eco-tourism destination and we hope to build on this for future research projects.

The penguin feeding continued to be popular. A new public announcement system near the penguin pool has enabled the keepers to give daily talks to engage further with our visitors. Plans are underway to implement a Meet the Keeper experience in 2017.

Learning department

School visits have been successful in 2016, with visitor figures 1,647 (43%) up on 2015. The recent development works, including the Farm, upgraded Bird Garden and new Information Centre, have been very well received by education visitors and have enabled us to meet the demand from schools for outdoor science based learning.

The Trust has worked closely with the University of Leeds School of Fine Art, History of Art and Cultural Studies to develop Harewood's first Discovery Day. Inspired by Roche Court's national ARTiculation prize, this event was set up to introduce pupils to the field of art history, working closely with rare and important documents from Harewood's archives.

B - Financial Review

The results for the year ended 31 December 2016 are shown on page 15 in the consolidated statement of financial activity (incorporating the income and expenditure account). Net assets have increased to £17,635,793 from £17,176,025, however the results for 2015 were considerably strengthened due to a number of substantial donations.

The results for the year and the balance sheets of Harewood House Trading Limited and Harewood Hospitality & Events LLP are shown at note 26 (page 33) and note 27 (page 34) respectively, and the results of both entities are consolidated within these accounts.

Overall income from day visitor and membership admissions improved by 5% from the prior year to a total of £1,206,941 (2015: £1,150,389) however, within this overall rise, visitor and membership admissions under gift aid were lower than prior year £423,463 (2015: £453,239).

Costs of generating voluntary income increased to £501,888 (2015: £403,449). However, there was a significant reduction in fundraising trading costs, down £187,787 to £275,217, principally due to the Trust's decision to cease hosting wedding and similar events in the Courtyard. Although there was a 12% increase in incoming resources from charitable activities, expenditure on charitable activities only increased slightly to £1,678,466 (2015: £1,652,847).

The Trust did not incur any costs in relation to the services of Christopher Ussher as the Trust Chief Executive during the year until his retirement in August. His services (and those of his support team) were financed directly by David Lascelles, Earl of Harewood. The Earl made no charge for his own services as interim Trust Director from August onwards.

HAREWOOD HOUSE TRUST LIMITED

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

The Trust's fundraising trading activities (events, retail, catering and film work) continue to provide a positive contribution of £288,542 (2015: £324,907).

Following the creation of the General Endowment Fund in December 2015, the Trust held current asset investments of £2,500,000 at December 2015, these have since been invested in listed investments and are shown in fixed assets on the balance sheet. The investments are subject to the Trust's investment policy.

The overall surplus for the year was £459,768 (2015: £6,179,969), which included non-admissions related donations of £46,496 (2015: £6,731,352).

The endowment fund (which was established to fund both operating activities and capital requirements without restriction) at 31 December 2016 was £10,088,916 (2015: £9,237,666). A Permanent endowment fund, established in 2015 was £2,667,947 (2015 £2,500,00). £281,166 has been utilised from the Capital & Projects restricted fund during the year and the balance at 31 December 2016 was £673,534 (2015: £954,700).

There are £11,501,050 (2015: £10,649,800) of heritage works of art which are maintained and displayed for the public benefit, these were valued during the year and a gain of £851,250 has been reflected in the accounts.

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.

The Trust has appointed a professional, regulated investment management firm to manage the assets of the general endowment fund (and other assets as requested by the Finance & General Purposes Committee) on a discretionary basis, in line with the Trust's investment policy which is summarised here.

Following the creation of the General Endowment Fund in December 2015, as at 31 December 2015 all investment funds were held as cash in current asset investments pending appointment of investment managers. During the year Cazenove Capital were appointed investment managers and the funds invested in accordance with the investment policy and objectives.

The investment objective for the Trust's general endowment fund is to maximise income to support the on-going 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 & special projects fund is to preserve the capital value and to seek low risk income returns subject to ensuring assets are readily available to meet planned and any emergency capital and project costs.

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

The investment policy currently does not include specific restrictions concerning social, environmental or ethical considerations and this aspect remains under review by the Trustees.

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 and the phased initial investment of the General Endowment fund.

HAREWOOD HOUSE TRUST LIMITED

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 Harewood card members.
- Investment income generated from the Restricted endowment fund (which currently has capital of £2.67m)
- 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 2016, the Trust had total funds of £17,635,793. This includes a restricted permanent endowment fund of £2,667,947 and a restricted Capital & Projects fund of £673,534, which Trustees are able to use to fund capital and other projects in support of the Trust's charitable activities. The 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 and bank funding, 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 2016, the Trust had free reserves of some £588,780 (2015: £624,292).

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, together with actions to address those risks.

The Trust's Risk register is reviewed as an ongoing agenda point for Senior Management Meetings and Trustee Committee meetings.

Risk of damage or loss to the House & Collections

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

Reputational and public liability risks

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

HAREWOOD HOUSE TRUST LIMITED

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

Economic risks

Income levels are strongly impacted by visitor and membership numbers, which in turn are affected by weather. The Trust continues to develop and improve the visitor offer and to seek ways to mitigate dips in visitor attendance. 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 General Endowment Fund in 2015 is helping to provide additional income to contribute towards the Trust's operational costs. The Trust will increasingly seek opportunities for grant or loan 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.

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 27, note 16.

F – Plans for future periods

The Trust's core strategies remain consistent:

- maintaining the historic buildings and gardens;
- continuing to conserve and interpret the collections;
- maximising access to all and providing a high-quality service to all visitors, including those with disabilities;
- developing exhibitions, educational programmes and publications and encouraging scholarly use of the collections;
- providing a range of events which are in sympathy with the inherent qualities of Harewood;
- encouraging corporate partnerships through sponsorship and other fundraising activities to support the Charity's work.
- to develop and maintain a capital works programme across the full site to include all areas and buildings.

The new Trust Director will undertake a significant audience segmentation research project and a current situation analysis of the Trust in 2017 and use the findings from these to further develop the Trust's strategic priorities, with a particular focus on improving visitor and membership numbers and increasing the contribution to the Trust from fundraising and trading activities.

HAREWOOD HOUSE TRUST LIMITED

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

Statement of Trustees' Responsibility

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

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in Charities SORP;
- 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 29 August 2017 and signed on their behalf by:

Trustee



DAVID LASCELLES, EARL OF HAREWOOD
29 August 2017

HAREWOOD HOUSE TRUST LIMITED

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

We have audited the financial statements of Harewood House Trust Limited for the year ended 31 December 2016 which comprises the Consolidated Statement of Financial Activity (incorporating the Income and Expenditure Account), the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with chapter 3 of section 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the Trustees (who are also directors of the 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.

We have been appointed auditor under Companies Act 2006 and report in accordance with that act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

We read all the financial and non-financial information in the Strategic Report and the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing our audit. If we become aware of any apparent material misstatements we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, including its income and expenditure account 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit the information given in the Strategic Report and the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements.

HAREWOOD HOUSE TRUST LIMITED

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

Matters on which we are required to report by exception

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

- The parent charitable company has not kept adequate and sufficient accounting records, 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.



Peter Tarren F.C.A. (Senior Statutory Auditor)
For and on behalf of Eura Audit (Northallerton) Limited
Statutory Auditors
87 South Parade
Northallerton
North Yorkshire
DL7 8SJ

Date: 30 August 2017

HAREWOOD HOUSE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY **(INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)** **FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES	<u>Unrestricted</u> <u>Funds</u> <u>£</u>	<u>Restricted</u> <u>Funds</u> <u>£</u>	<u>Endowment</u> <u>Fund</u> <u>£</u>	<u>Total</u> <u>31.12.16</u> <u>£</u>	<u>Total</u> <u>31.12.15</u> <u>£</u>
<u>Income and endowments from:</u>					
<u>Donations and legacies</u>					
4 Admissions under gift aid, donations and grants	489,959	-	-	489,959	7,185,332
<u>Income from charitable activities</u>					
5 Conservation and education	812,533	-	-	812,533	725,699
<u>Other trading activities</u>					
6 Retail, events and catering	563,759	-	-	563,759	787,911
7 <u>Income from investments</u>	38,444	-	-	38,444	-
<u>Total income and endowments</u>	<u>1,904,695</u>	<u>-</u>	<u>-</u>	<u>1,904,695</u>	<u>8,698,942</u>
<u>Expenditure on:</u>					
<u>Raising funds</u>					
8 Costs of generating voluntary income	501,888	-	-	501,888	403,449
9 Fundraising trading costs	275,217	-	-	275,217	463,004
10 Investment management costs	8,553	-	-	8,553	0
11 <u>Charitable activities</u>	<u>1,678,466</u>	<u>-</u>	<u>-</u>	<u>1,678,466</u>	<u>1,652,847</u>
<u>Total expenditure</u>	<u>2,464,124</u>	<u>-</u>	<u>-</u>	<u>2,464,124</u>	<u>2,519,300</u>
Net income/(expenditure) before minority interest	(559,429)	-	-	(559,429)	6,179,642
14 <u>Minority interest</u>	-	-	-	-	54
<u>Net gains/(losses) on investments</u>					
Realised (losses)/gains on disposal of investment assets	-	-	(11,269)	(11,269)	-
19 Unrealised gains on revaluations of investment assets	-	-	179,216	179,216	-
<u>Net income after gains/(losses) on investments</u>	<u>(559,429)</u>	<u>-</u>	<u>167,947</u>	<u>(391,482)</u>	<u>6,179,696</u>
<u>Transfers</u>	<u>281,166</u>	<u>(281,166)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Other recognised gains/(losses)</u>					
18 Gains/(losses) on revaluation of fixed assets	-	-	851,250	851,250	-
<u>Net movement in funds</u>	<u>(278,263)</u>	<u>(281,166)</u>	<u>1,019,197</u>	<u>459,768</u>	<u>6,179,696</u>
<u>Reconciliation of funds</u>					
Funds brought forward at 1.1.16	4,483,659	954,700	11,737,666	17,176,025	10,996,329
<u>Funds carried forward at 31.12.16</u>	<u>4,205,396</u>	<u>673,534</u>	<u>12,756,863</u>	<u>17,635,793</u>	<u>17,176,025</u>

The statement of financial activity includes all gains and losses recognised in the year.

The notes at pages 19 -38 form part of these financial statements.

HAREWOOD HOUSE TRUST LIMITED**CONSOLIDATED BALANCE SHEET**
AS AT 31 DECEMBER 2016

	<u>NOTES</u>	<u>31.12.16</u>	<u>31.12.15</u>
		<u>£</u>	<u>£</u>
<u>Fixed assets</u>			
Tangible assets	18	638,133	531,789
Heritage assets	18	13,367,399	12,565,244
Investments	19	2,667,947	-
		<u>16,673,479</u>	<u>13,097,033</u>
<u>Current assets</u>			
Stocks	20	8,557	11,680
Debtors	21	216,202	250,043
Investments	22	-	2,500,000
Cash at bank and in hand		1,018,544	3,838,203
		<u>1,243,303</u>	<u>6,599,926</u>
<u>Liabilities</u>			
Creditors - amounts falling due within one year	23	(280,989)	(298,458)
<u>Net current assets/(liabilities)</u>		<u>962,314</u>	<u>6,301,468</u>
<u>Total assets less current liabilities</u>		<u>17,635,793</u>	<u>19,398,501</u>
Creditors - amounts falling due after more than one year	24	-	(2,218,903)
<u>Net assets</u>		<u>17,635,793</u>	<u>17,179,598</u>
<u>Minority interest</u>		-	(3,573)
		<u>17,635,793</u>	<u>17,176,025</u>
Financed by:			
<u>Funds of the charity</u>			
Endowment funds	28	12,756,863	11,737,666
Restricted funds	28	673,534	954,700
Unrestricted funds	28	4,205,396	4,483,659
<u>Total funds</u>		<u>17,635,793</u>	<u>17,176,025</u>

Approved and authorised for issue by the Trustees on 29 August 2017 and signed on their behalf by:


.....

DAVID LASCELLES - DIRECTOR

Company registration number 02004021

The notes at pages 20-38 form part of these financial statements.

HAREWOOD HOUSE TRUST LIMITED**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2016**

	<u>NOTES</u>	<u>31.12.16</u>	<u>31.12.15</u>
		<u>£</u>	<u>£</u>
<u>Fixed assets</u>			
Tangible assets	18	637,798	530,851
Heritage assets	18	13,367,399	12,565,244
Investments	19	2,668,047	100
		<u>16,673,244</u>	<u>13,096,195</u>
<u>Current assets</u>			
Stocks	20	7,488	11,680
Debtors	21	188,006	473,660
Investments	22	-	2,500,000
Cash at bank and in hand		<u>996,071</u>	<u>3,784,794</u>
		1,191,565	6,770,134
<u>Liabilities</u>			
Creditors - amounts falling due within one year	23	(284,147)	(228,628)
<u>Net current assets/(liabilities)</u>		<u>907,418</u>	<u>6,541,506</u>
<u>Total assets less current liabilities</u>		17,580,662	19,637,701
Creditors - amounts falling due after more than one year	24	-	(2,218,903)
<u>Net assets</u>		<u>17,580,662</u>	<u>17,418,798</u>
Financed by:			
<u>Funds</u>			
Endowment fund	28	12,205,215	12,037,268
Restricted funds	28	673,534	954,700
Unrestricted funds	28	4,701,913	4,426,830
<u>Total funds</u>		<u>17,580,662</u>	<u>17,418,798</u>

Approved and authorised for issue by the Trustees on 29 August 2017 and signed on their behalf by:



DAVID LASCELLES - DIRECTOR

The notes at pages 19-38 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	<u>NOTES</u>	<u>31.12.16</u>		<u>31.12.15</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cash flows from operating activities</u>	1		(2,571,243)		6,429,598
<u>Cash flows from investing activities</u>					
Investment income received		38,444		1	
Interest paid		(506)		(1,403)	
Payments to acquire tangible fixed assets		(256,851)		(355,162)	
Receipts from sale of tangible fixed assets		913		(20)	
Payments to acquire investments		(2,864,425)			
Receipts from sale of investments		<u>364,425</u>		<u>-</u>	
Net cash used in investing activities			(2,718,000)		(356,584)
<u>Cash flows from financing activities</u>					
Capital element of hire purchase loan repayment		<u>(30,396)</u>		<u>(30,475)</u>	
Net cash used in financing activities			(30,396)		(30,475)
<u>Net (decrease)/increase in cash and cash equivalents</u>	2		<u>(5,319,639)</u>		<u>6,042,539</u>

HAREWOOD HOUSE TRUST LIMITED

NOTES TO CONSOLIDATED CASH FLOW STATEMENT

NOTES

1 Reconciliation of cash generated from operations

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Net incoming / (outgoing) resources	(559,429)	6,179,642
Investment income	(38,444)	(1)
Interest payable and similar charges	506	1,403
	<u>(597,367)</u>	<u>6,181,044</u>
Depreciation	197,857	206,412
(Profit)/loss on disposal	832	-
Decrease in stocks	3,123	9,357
(Increase)/decrease in debtors	33,841	10,828
(Decrease)/increase in creditors	(2,209,529)	21,957
	<u>(2,571,243)</u>	<u>6,429,598</u>
Net cash inflow/(outflow) from operating activities		

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

a) Analysis of cash and cash equivalents

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Cash at bank and in hand	1,018,544	3,838,203
Cash and cash equivalents held as current asset investments	-	2,500,000
	<u>1,018,544</u>	<u>6,338,203</u>

b) Analysis of change in cash and cash equivalents

Balance at 1 January 2016	6,338,183	295,644
Increase/(decrease) in net cash and funds	<u>(5,319,639)</u>	<u>6,042,539</u>
Balance at 31 December 2016	<u>1,018,544</u>	<u>6,338,183</u>

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

1 Company information

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

2 Accounting policies

(a) Basis of preparation

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

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

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

(b) Going concern

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

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

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 capitalised 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:

Motor vehicles and tractors	-	20% reducing balance
Plant and machinery	-	10% - 20% reducing balance
Playground equipment	-	10% reducing balance
Heritage works of art	-	not depreciated
Heritage buildings & refurbishment	-	2% - 5% straight line
Improvements to other property	-	10% straight line

(f) Stocks

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2 Accounting policies continued

(g) Investments

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

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

(h) Pensions

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

(i) Expenditure and allocation of support costs

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

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

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

(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 2016**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. There is an under lease of part of the property in favour of Patricia, Dowager Countess of Harewood, on an arm's length basis.

4 Donations and legacies

<u>Admissions under gift aid, donations and grants</u>	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Admissions and Harewood Card under gift aid	423,463	453,239
Donation from Executors of the 7th Earl of Harewood and subsequent will trust	-	6,523,000
Donation from the Earl of Harewood	41,000	-
Donated heritage asset	-	205,000
Other donations	5,496	3,352
Other grant income	20,000	741
	<u>489,959</u>	<u>7,185,332</u>

Income from donations and legacies amounted to £489,959 (2015- £7,185,332) of which £489,959 (2015- £3,525,632) was unrestricted. £nil (2015- £205,000) was an asset donated to the unrestricted endowment fund and £nil (2015- £3,454,700) was restricted.

The restricted funds donated in the year ended 31 December 2015 of £3,454,700 were donated by the Trustees of the 7th Earl of Harewood Will Trust and comprise £2,500,000 'General Endowment Fund' which is a permanent endowment fund and £954,700 'Capital Works & Special Projects Fund' to fund special projects including capital works, maintenance projects, exhibitions, education programmes and other similar projects.

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>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Admissions and Harewood Card (non-gift aid)	783,478	697,150
Guide books and education	21,165	23,166
Bird adoption	7,890	5,383
	<u>812,533</u>	<u>725,699</u>

HAREWOOD HOUSE TRUST LIMITED**NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITY**
FOR THE YEAR ENDED 31 DECEMBER 2016**NOTES****6 Other trading activities**

<u>Retail, events and catering</u>	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Retail shops and cafes	119,624	96,766
Catering and courtyard events	71,495	249,947
Other events	214,371	369,057
Rents and filming income	153,826	66,533
Sundry	4,443	5,608
	<u>563,759</u>	<u>787,911</u>

7 Income from investments

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Dividends	32,756	-
Interest	5,688	-
	<u>38,444</u>	<u>-</u>

Costs of raising funds (notes 8, 9 & 10)**8 Costs of generating voluntary income**

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Marketing and promotion	51,422	47,359
Events	12,144	12,182
Operating costs	262,083	203,344
Support (see note 12)	176,239	140,564
	<u>501,888</u>	<u>403,449</u>

9 Fundraising trading costs

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Commercial trading operation	46,013	290,974
House and event operation	78,400	9,338
Support (see note 12)	150,804	162,692
	<u>275,217</u>	<u>463,004</u>

10 Investment management costs

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Investment management fees	8,553	-
	<u>8,553</u>	<u>-</u>

HAREWOOD HOUSE TRUST LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2016**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 2016</u>	<u>Total 2015</u>
	£	£	£	£	£
Repairs and renewals to existing facilities	81,799	1,228	-	83,027	171,309
Maintaining property open to the public	624,124	7,682	57,106	688,912	604,062
Exhibitions and educational programmes	4,180	-	95,281	99,461	94,855
Conserving collections	-	141,600	101,764	243,364	195,668
Marketing and events	24,059	12,030	12,030	48,119	44,625
Support (see note 12)	376,810	60,928	64,262	502,000	526,607
Governance costs (see note 13)	7,742	2,037	3,803	13,583	15,721
Total 2016	1,118,714	225,505	334,246	1,678,466	1,652,847
Total 2015	1,158,278	172,735	321,834		

All of the above expenditure relates to unrestricted funds 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 & Site Services</u>	<u>Head office and Finance Office</u>	<u>Depreciation</u>	<u>Bank charges and interest</u>	<u>Total 2016</u>	<u>Total 2015</u>
	£	£	£	£	£	£
Costs of voluntary income	34,208	113,534	25,378	3,119	176,239	140,564
Fundraising trading costs	86,121	44,350	16,229	4,104	150,804	162,692
Charitable activities:						
Harewood House and Gardens	156,722	80,258	139,830	-	376,810	418,871
Bird Garden conservation	18,733	30,928	11,267	-	60,928	45,486
Art conservation and education	20,566	38,537	5,159	-	64,262	62,250
	196,021	149,723	156,256	-	502,000	526,607
Total 2016	316,350	307,607	197,863	7,223	829,043	829,863
Total 2015	334,738	280,506	206,411	8,208		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**NOTES**

13	<u>Governance costs</u>	<u>31.12.16</u>	<u>31.12.15</u>
		<u>£</u>	<u>£</u>
	Trustees' meeting expenditure	7,193	6,822
	Trustees' indemnity insurance	1,858	1,799
	Auditor's remuneration	4,532	7,100
		<u>13,583</u>	<u>15,721</u>
14	<u>Minority Interest</u>	<u>31.12.16</u>	<u>31.12.15</u>
		<u>£</u>	<u>£</u>
		<u>-</u>	<u>54</u>

The minority interest relates to the share of Harewood Hospitality & Events LLP's (profit)/loss which is due to the external partner. This represented 5% of the profit for the year ended 31 December 2015. As explained in note 27 the LLP ceased trading in 2014 and its activities are now delivered by Harewood House Trading Ltd.

15	<u>Staff costs</u>	<u>31.12.16</u>	<u>31.12.15</u>
		<u>£</u>	<u>£</u>
	Wages and salaries	886,011	793,894
	National insurance	62,313	56,389
	Pension costs	18,688	16,870
		<u>967,012</u>	<u>867,153</u>

Number of employees with benefits in excess of £60,000 2016- nil (2015- nil)

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 12 above.

Neither the Chief Executive of Harewood House Trust Limited, nor the interim Trust Director who were each in post for part of year received any remuneration from the Trust in the year ended 31 December 2016 (2015- nil).

The key management personnel of the parent charity, the Harewood House Trust Limited, and the group comprise the Trustees, the Chief Executive/ Trust Director, Head of Finance, Head of Operations, Head of Marketing, Head Gardener, Bird Garden & Farm Experience Manager, Education Co-ordinator, House & Collections Manager and Exhibitions Co-ordinator. The total employee benefits of the key management personnel of the Trust were £262,006 (2015- £260,163)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES

15 Staff costs (continued)

The average monthly headcount was 58 staff (2015- 52) and the average monthly number of full time equivalent employees (including casual and part time staff) during the year were as follows:

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>No</u>	<u>No</u>
House & admissions	20	16
Bird Garden	5	4
Gardens	9	8
Retain & catering	1	1
Events	2	3
Support & management	5	5
Full time and full-time equivalents	<u>42</u>	<u>37</u>

16 Operating surplus/deficit

The operating surplus/deficit is stated after charging:

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Auditor's remuneration	4,532	7,100
Depreciation	197,857	206,412
(Profit)/loss on disposal of fixed assets	832	20
Trustees' meeting expenses	7,193	6,822
Trustees' indemnity insurance	1,858	1,799

17 Taxation

- (a) Charity - The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.
- (b) Subsidiary undertakings - No liability to UK corporation tax arose on ordinary activities for the year.

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTES

18 Group tangible fixed assets	<u>Heritage works of art (note 18 (a))</u>	<u>Heritage buildings & refurbishment (note 18 (a))</u>	<u>Improvements to other property</u>	<u>Plant and machinery</u>	<u>Playground equipment</u>	<u>Tractors & Grounds Equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>								
As at 1 January 2016	10,649,800	2,633,511	8,180	2,234,437	185,058	132,840	67,675	15,911,501
Additions	-	-	-	256,851	-	-	-	256,851
Disposals	-	-	-	(22,542)	-	-	-	(22,542)
Revaluation	851,250	-	-	-	-	-	-	851,250
As at 31 December 2016	<u>11,501,050</u>	<u>2,633,511</u>	<u>8,180</u>	<u>2,468,746</u>	<u>185,058</u>	<u>132,840</u>	<u>67,675</u>	<u>16,997,060</u>
<u>Depreciation</u>								
As at 1 January 2016	-	718,067	8,180	1,841,485	160,284	49,934	36,518	2,814,468
Disposals	-	-	-	(20,797)	-	-	-	(20,797)
Charge for the year	-	49,095	-	123,473	2,477	16,581	6,231	197,857
As at 31 December 2016	<u>-</u>	<u>767,162</u>	<u>8,180</u>	<u>1,944,161</u>	<u>162,761</u>	<u>66,515</u>	<u>42,749</u>	<u>2,991,528</u>
<u>Net book value</u>								
As at 31 December 2016	<u>11,501,050</u>	<u>1,866,349</u>	<u>-</u>	<u>524,585</u>	<u>22,297</u>	<u>66,325</u>	<u>24,926</u>	<u>14,005,532</u>
As at 31 December 2015	<u>10,649,800</u>	<u>1,915,444</u>	<u>-</u>	<u>392,952</u>	<u>24,774</u>	<u>82,906</u>	<u>31,157</u>	<u>13,097,033</u>

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18 Cont'd <u>Charity tangible fixed assets</u>	<u>Heritage</u> <u>works of</u> <u>art</u> (note 18 (a))	<u>Heritage</u> <u>buildings &</u> <u>refurbishment</u> (note 18 (a))	<u>Plant and</u> <u>machinery</u>	<u>Playground</u> <u>equipment</u>	<u>Tractors &</u> <u>Grounds</u> <u>Equipment</u>	<u>Motor</u> <u>vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>							
As at 1 January 2016	10,649,800	2,633,511	1,900,226	185,058	132,840	67,675	15,569,110
Additions	-	-	256,851	-	-	-	256,851
Disposals	-	-	(21,929)	-	-	-	(21,929)
Revaluation	851,250	-	-	-	-	-	851,250
As at 31 December 2016	<u>11,501,050</u>	<u>2,633,511</u>	<u>2,135,148</u>	<u>185,058</u>	<u>132,840</u>	<u>67,675</u>	<u>16,655,282</u>
<u>Depreciation</u>							
As at 1 January 2016	-	718,067	1,508,212	160,284	49,934	36,518	2,473,015
Disposals	-	-	(20,329)	-	-	-	(20,329)
Charge for the year	-	49,095	123,015	2,477	16,581	6,231	197,399
As at 31 December 2016	<u>-</u>	<u>767,162</u>	<u>1,610,898</u>	<u>162,761</u>	<u>66,515</u>	<u>42,749</u>	<u>2,650,085</u>
<u>Net book value</u>							
As at 31 December 2016	<u>11,501,050</u>	<u>1,866,349</u>	<u>524,250</u>	<u>22,297</u>	<u>66,325</u>	<u>24,926</u>	<u>14,005,197</u>
As at 31 December 2015	<u>10,649,800</u>	<u>1,915,444</u>	<u>392,014</u>	<u>24,774</u>	<u>82,906</u>	<u>31,157</u>	<u>13,096,095</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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18 (a) Heritage Assets

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

Heritage building refurbishment

Costs of £2,633,511 are held, 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 however during the year ended 31 December 2015 a Turner watercolour was donated. This watercolour has been included in the accounts at the value on the date of donation.

The works of art held by the Charity at 1 January 2015 are included at a mid-auction estimate of £10,444,800, reported as at January 2012 by Christie's. This valuation was obtained in order to meet the requirements of FRS30 which required donated assets to be shown in the balance sheet. A Turner watercolour was donated to the Charity in the year ended 31 December 2015 and was included in the accounts at the value on the date of donation of £205,000. An updated valuation was obtained during the year which valued the works of art at £11,501,050 also using a mid-auction estimate. This valuation has been reflected in the accounts resulting in a revaluation gain of £851,250. 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
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19 Group Investments

There were no external investments held by the group as at 31 December 2015.

At 31 December 2016 the Charity held external investments with a valuation of £2,667,947

Charity investments

Non listed investments held by the Charity relate to £100 investment in the wholly owned subsidiary company, Harewood Harewood House Trading Ltd, at market value (2015: £100).

	<u>Charity</u> <u>31.12.16</u> £	<u>Charity</u> <u>31.12.15</u> £
Investment in subsidiary	100	100

Listed investments

	<u>Charity</u> <u>31.12.16</u> £	<u>Charity</u> <u>31.12.15</u> £
Cost or valuation	£	£
At 1 January 2016	-	-
Additions	2,864,425	-
Disposals	(375,694)	-
Fair value movements	179,216	-
At 31 December 2016	<u>2,667,947</u>	<u>-</u>
Carrying amount		
At 31 December 2016	<u>2,667,947</u>	<u>-</u>
At 31 December 2015	<u>-</u>	<u>-</u>

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

Equities	1,454,006	-
Bonds	405,186	-
Multi asset funds	145,638	-
Alternatives	455,646	-
Cash held within the investment portfolio	207,471	-
	<u>2,667,947</u>	<u>-</u>

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.

20 Stocks

	<u>Group</u> <u>31.12.16</u> £	<u>Group</u> <u>31.12.15</u> £	<u>Charity</u> <u>31.12.16</u> £	<u>Charity</u> <u>31.12.15</u> £
Retail, catering and guide books	8,557	11,680	7,488	11,680
	<u>8,557</u>	<u>11,680</u>	<u>7,488</u>	<u>11,680</u>

21 Debtors

	<u>Group</u> <u>31.12.16</u> £	<u>Group</u> <u>31.12.15</u> £	<u>Charity</u> <u>31.12.16</u> £	<u>Charity</u> <u>31.12.15</u> £
Trade debtors	50,745	39,590	10,357	6,023
Other debtors	-	49,138	12,194	63,661
Amounts owed by trading subsidiary	-	-	-	242,661
Prepayments	165,457	161,315	165,455	161,315
	<u>216,202</u>	<u>250,043</u>	<u>188,006</u>	<u>473,660</u>

HAREWOOD HOUSE TRUST LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 2016**NOTES**

22	<u>Current asset investments</u>	<u>Group</u> <u>31.12.16</u> <u>£</u>	<u>Group</u> <u>31.12.15</u> <u>£</u>	<u>Charity</u> <u>31.12.16</u> <u>£</u>	<u>Charity</u> <u>31.12.15</u> <u>£</u>
	Cash and cash equivalents on deposit	-	2,500,000	-	2,500,000

The current asset investments held in cash at 31 December 2015 were invested during the year ended 31 December 2016 (note 19)

23	<u>Creditors:</u> <u>amounts falling due within one year</u>	<u>Group</u> <u>31.12.16</u> <u>£</u>	<u>Group</u> <u>31.12.15</u> <u>£</u>	<u>Charity</u> <u>31.12.16</u> <u>£</u>	<u>Charity</u> <u>31.12.15</u> <u>£</u>
	Hire purchase creditor	908	31,304	908	31,304
	Trade creditors	107,726	113,308	95,354	104,311
	Other creditors including social security and other taxes	23,070	16,800	16,148	16,800
	Amounts owed to trading subsidiary	-	-	94,919	-
	Accruals	77,739	80,010	74,918	74,716
	Event deposits in advance	71,546	57,036	1,900	1,497
		<u>280,989</u>	<u>298,458</u>	<u>284,147</u>	<u>228,628</u>

24	<u>Creditors:</u> <u>amounts falling due after one year</u>	<u>Group</u> <u>31.12.16</u> <u>£</u>	<u>Group</u> <u>31.12.15</u> <u>£</u>	<u>Charity</u> <u>31.12.16</u> <u>£</u>	<u>Charity</u> <u>31.12.15</u> <u>£</u>
	Loan from Harewood Estate	-	2,218,903	-	2,218,903
		<u>-</u>	<u>2,218,903</u>	<u>-</u>	<u>2,218,903</u>

25 Hire Purchase creditor

A hire purchase agreement has been entered into in respect of a motor vehicle (2015- agreements in respect of motor vehicles, tractors and plant) included in fixed assets at cost of £18,420 (2015: £84,115) and accumulated depreciation £7,232 (2015: £54,264). £1,879 of the depreciation charge for the year relates to these assets (2015: £21,029). The hire purchase agreement outstanding as at 31 December 2016 ends within one year of the balance sheet date.

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES

26 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>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Turnover	500,814	725,864
Expenditure	(241,213)	(456,114)
Income from participating interests	-	(1,025)
Waiver of loan due to parent charity	242,661	
Other income	3,431	-
Net profit/(loss)	<u>505,693</u>	<u>268,725</u>
Gift aid donation	<u>(207,770)</u>	<u>-</u>
Profit/(loss) after gift aid to parent company	<u>297,923</u>	<u>268,725</u>

Summary balance sheet

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Fixed assets	354	918
Current assets	158,850	83,904
Current liabilities	(103,972)	(327,513)
Liabilities due after more than one year	-	-
Net (liabilities)	<u>55,232</u>	<u>(242,691)</u>
Shareholders' funds	<u>55,232</u>	<u>(242,691)</u>

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

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27 Limited Liability Partnership - Harewood Hospitality & Events LLP

During the year ended 31 December 2014 the non-primary purpose trading activities were delivered by this partnership between Harewood House Trading Limited and Picotus Ltd. Harewood House Trading Ltd had majority voting rights on most decisions and is entitled to 95% of the partnership profits (95% in 2014).

The LLP ceased trading on 31 December 2014 and during the year ended 31 December 2015 non-primary purpose trading activities were delivered by Harewood House Trading Limited.

The activities were consolidated on a line-by-line basis in the previous year in the statement of financial activity. No activity was carried out by the LLP during the year ended 31 December and the LLP has been dissolved.

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

Summary profit & loss account

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Turnover	-	-
Expenditure	-	1,079
Net profit/(loss)	-	(1,079)
Minority interest	-	54
Profit/(loss) attributable to Harewood group	-	(1,025)

Summary balance sheet

	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Fixed assets		0
Current assets		25,316
Current liabilities		(28)
Owing to LLP members		(21,714)
Minority interest		(3,573)
Net assets/(liabilities)	-	1
Represented by:		
Harewood House Trading Ltd	-	1
Capital	-	-
Reserves	-	-
	-	1

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

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28 Group funds

Reconciliation and analysis of movement in funds

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Permanent</u> <u>Endowment</u> <u>Fund</u>	<u>Unrestricted</u> <u>Endowment</u> <u>Fund</u>	<u>Total</u> <u>31.12.16</u>	<u>Total</u> <u>31.12.15</u>
	£	£	£	£	£	£
Opening value of funds	4,483,659	954,700	2,500,000	9,237,666	17,176,025	10,996,329
Income for the year	1,904,695	-	-	-	1,904,695	8,698,942
Expenditure for the year	(2,464,124)	-	-	-	(2,464,124)	(2,519,300)
Minority interest	-	-	-	-	-	54
Investment gains	-	-	167,947	-	167,947	-
Transfer	281,166	(281,166)	-	-	-	-
Gains/(losses) on revaluation of fixed assets	-	-	-	851,250	851,250	-
Closing value of funds	<u>4,205,396</u>	<u>673,534</u>	<u>2,667,947</u>	<u>10,088,916</u>	<u>17,635,793</u>	<u>17,176,025</u>

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

The restricted fund relates to the 'Capital Works & Special Projects Fund' to fund special projects including capital works, maintenance projects, exhibitions, education programmes and other similar projects. A donation of £954,700 was received in the year ended 31 December 2015. During the year ended 31 December 2016 £281,166 has been spent relating to projects funded by the restricted reserve. As there are no formal restrictions over the use of the assets and projects funded by this project the amount spent on eligible items has been transferred from restricted to unreserved reserves.

Analysis of group net assets between funds

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Permanent</u> <u>Endowment</u> <u>Fund</u>	<u>Unrestricted</u> <u>Endowment</u> <u>Fund</u>	<u>Total</u> <u>31.12.16</u>	<u>Total</u> <u>31.12.15</u>
	£	£	£	£	£	£
Fixed assets	-	-	2,667,947	14,005,532	16,673,479	13,097,033
Net current assets	4,205,396	673,534	-	(3,916,616)	962,314	6,297,895
Long term liabilities	-	-	-	-	-	(2,218,903)
	<u>4,205,396</u>	<u>673,534</u>	<u>2,667,947</u>	<u>10,088,916</u>	<u>17,635,793</u>	<u>17,176,025</u>

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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29 <u>Financial instruments</u>	<u>31.12.16</u>	<u>31.12.15</u>
	<u>£</u>	<u>£</u>
Financial assets measured at amortised cost	<u>1,069,289</u>	<u>3,877,793</u>
Financial liabilities measured at amortised cost	<u>257,919</u>	<u>2,500,561</u>

The Group's income, expense, gains and losses in respect of financial instruments are summarised below;

Total interest expense for financial liabilities held at amortised cost	<u>506</u>	<u>1,403</u>
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HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTES

28 Transactions with trustees and connected persons

David Lascelles, Earl of Harewood, entered into transactions with the Charity during the year, through the following businesses in which he had a direct interest:

Harewood Estate
Harewood Energy Supply Co Limited

Details of transactions with David Lascelles, Earl of Harewood, and businesses in which he had an interest are:

(a) Transactions with Harewood Estate £51,544 (2015: £58,971)

The Charity was reimbursed by the Harewood Estate for recharges of office expenses and for the provision of grounds staff.

(b) Transactions with the Earl and Countess of Harewood £9,469 (2015: £2,693)

The Charity recharged the Earl and Countess of Harewood with day-to-day office and other related expenses.

(c) Purchases from Harewood Estate £200,209 (2015: £229,695)

Harewood Estate recharged the Charity, at cost of £124,876 (2015: £114,791) for its share of security services provided to Harewood Trust by a third party specialist security organisation. Charges were also made at cost for storage, winter maintenance, fuel and repairs provided by the Harewood Estate to the Charity.

(d) Purchases from Harewood Energy Supply Co Limited £45,208 (2015: £78,363)

Harewood Energy Supply Co Limited charged the Charity £nil (2015: £76,656) in relation to the installation of biomass boilers and £45,208 (2015: £1,707) for biomass running costs.

(e) Donations from the Earl of Harewood £41,000 (2015: £nil)

The Charity received donations totalling £41,000 (2015: £nil) from the Earl during the year.

Patricia, The Dowager Countess of Harewood entered into transactions with the Charity as follows:

Rent and other charges £43,448 (2015: £44,516)

The Charity charged rent in respect of the apartments within Harewood House used by Patricia, The Dowager Countess of Harewood. The rents were reviewed in 2011 and are charged at market rates established by Messrs Carter Jonas, a third party firm of surveyors. In addition, amounts were recharged at cost for the use of utilities, insurance, a gardener and some office expenses.

HAREWOOD HOUSE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2015**

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28 Transactions with trustees and connected persons (continued)

Donations from the Executors of the 7th Earl of Harewood and subsequent will trust £nil (2015: £6,523,000) and donated asset of £nil (2015: £205,000)

The Charity received donations totalling £nil from the Executors of the 7th Earl and subsequent will trust during the year (2015: £6,523,000). In addition a painting valued at £205,000 was donated to the Charity during the year ended 31 December 2015.

At 31 December 2016 balances were as follows:

Owed to the Charity by:

Harewood Estate	£5,001	(2015: £3,810)
Harewood Energy Supply Co Limited	£nil	(2015: £3,504)
Patricia, The Dowager Countess of Harewood	£(91)	(2015: £326)
The Earl and Countess of Harewood	£418	(2015: £nil)

As the Charity re-invoices 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 2016. In practice invoices are paid promptly to the Charity, and these amounts were repaid shortly after the year-end.

Owed by the Charity to:

Harewood Estate	£nil	(2015: £ 2,235,580)
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Trustee expenses

In addition to the foregoing, meeting and travel expenses of £7,193 (2015: £6,822) were incurred by the board of trustees in carrying out their duties. These items represent a reimbursement of trustee expenses at cost.