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SWA/CA

Charity registration number 504347

Company registration number 1208214 (England and Wales)

**HOWICK TRUSTEES LIMITED**  
**(A CHARITABLE COMPANY LIMITED BY GUARANTEE)**  
**GOVERNORS' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

TUESDAY



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# HOWICK TRUSTEES LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Governors</b>	Dr David E.C. Baring Mark G.O. Bridgeman Sir Walter J.B. Riddell Bt Matthew G. Darby Victoria J. Baring David G. Knott	
<b>Secretary</b>	Mrs J.A. Woodford Mrs D. Spark Mrs C.B. Coley	(Retired 31 May 2021) (Retired 31 December 2021) (Appointed 1 October 2021)
<b>Charity number</b>	504347	
<b>Company number</b>	1208214	
<b>Registered office</b>	Howick Estate Office Howick Alnwick Northumberland NE66 3LB	
<b>Auditor</b>	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ	
<b>Bankers</b>	Barclays Bank P.L.C. 20 Bondgate Within Alnwick Northumberland NE66 1TD	
<b>Land Agents</b>	GSC Grays 5F Linnet Court Cawledge Business Park Alnwick Northumberland NE66 2GD	
<b>Independent Financial Advisors</b>	Charles Stanley & Co. Limited 55 Bishopsgate London EC2N 3AS	

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# HOWICK TRUSTEES LIMITED

## CHAIRMAN'S REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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#### CHAIRMAN'S REPORT 2021 / 2022

The Covid tail and lockdowns continued to have an impact on the world and our operations but with an ever lessening extent. This has meant we have been able to adapt to a more normal working pattern. Overall the visitor numbers have continued to increase, the holiday lets have benefited from the relative difficulties of foreign travel and the let residential market has been stable. The significant disruption we have suffered is from the storms of December 2021 which created a mess in the arboretum and garden which will take time to clear up and significant damage to the let farm buildings and various residential properties. This is taking some time to get sorted.

The gardens and arboretum had a delayed opening due to the winter lockdown in 2020 which extended into March 2021 - thereafter, visitor numbers have remained strong. The number of visitors for season 2022 have remained ahead of season 2021 due to the head start (as there were local restrictions in the equivalent period at the start of 2021) but did tail off later in the summer and into autumn. This is likely to be due to increasing confidence in foreign travel and the cost of living issues resulting in cut backs in family expenditure. Despite this we will have over 40,000 visitors Season 2022 and an increased income from garden visitors with the "grey pound" increasing its share of the income stream (as the youth head off for the sunshine?).

In the gardens and arboretum, the whole team has pulled together to deal with the mess Arwen has made. The physical disruption has been unprecedented and access to certain areas had to be limited while things are made safe. The tidying up will be an ongoing issue into 2023. A number of good trees were lost unfortunately but much of the damage was done to conifer shelter belts and once cleared these will provide some revenue to pay for clear up as well as some interesting planting opportunities. The visitors have been understanding of the disruption with no negative comments and much sympathy.

The volunteers remain central to helping keep the visitor experience going and numbers remain good providing a whole range of activities (tours, gardening, visitor centre, photography to name but a few). We are as ever extremely grateful for all their assistance. Work in the arboretum continues and the Garden and Arboretum Committee is now well established, meeting twice a year. We remain closely connected with the team at Royal Botanic Gardens Edinburgh and Kew, and will plan with them when trips become a realistic possibility.

The two holiday lets remain popular, and a third property has now come on line with excellent initial feedback. We have a large historic property portfolio, the preservation of which remains one of our charitable objectives. The costs associated with the maintenance of these properties is considerable and using selected properties from the portfolio for holiday lets will increase the income available for property maintenance along with providing local job opportunities. The uninsured costs of the effects of Arwen on the property portfolio along with the compliance work on sewage systems are going to be a significant drain on our resources. We have a variety of viable options for funding this including selling some of our share reserves, borrowing or selling peripheral property that is not central to our charitable objectives – these will be considered by the Trustees at the appropriate time depending on the market conditions as and when funds are required.

This year saw the retirement of Di Spark who had been Lord Howick's secretary along with working for the Trustees for many years and we are extremely grateful for all her efforts. Graham Waller who had previously worked with Caroline Coley has joined the team. He has a strong business background both in the holiday let world but also in events management and this will help as we develop new offerings at Howick. John Hutchison who had joined the team less than full time has moved on having been offered full time work elsewhere and we wish him well and thanks for helping with the property side of things. Graham and the team are coping with the ongoing property issues using Sullivan Associates as required for bigger projects. GSC Grays continue to support our endeavours. Full fibre broadband has come to Howick, and this has allowed better remote access and provided opportunities for future remote visitor events.

Arwen had a major effect on the coastline properties. All the let farms had significant damage with Seahouses being the worst hit. There has been some discussion with the loss adjustors as what would be covered and consideration has had to be made regarding what is appropriate to repair for modern farming needs. Contractor and material availability has been an issue and it has all taken somewhat longer to fix than we would have liked. We have been able to get the sewerage works done on all the Trustees properties apart from the main Hall (planned for winter 2022) and Peep-o-Sea which will follow thereafter.

# HOWICK TRUSTEES LIMITED

## CHAIRMAN'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2022**

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The New Rooms have proved popular with visitors and a number of events have been held. The team are continuing to develop the offering and exploring what we can effectively do in house and bringing outside teams as appropriate. Revenue is starting to build and it is anticipated this will continue in the coming years mindful of the good reputation we have for not being overly commercial. This activity and that of the Holidays lets will be under the auspices of Howick Hall Ltd from April 2022 – a trading subsidiary of the charity and all its profits will then be passed onto the charity.

The tea rooms continue to run under the auspices of KAM catering and details of their new lease are being organised.

Looking back at the last 18 months I am very grateful to all the team for helping to keep things running and developing what we do as a charity. This is now my third chairman's report and each year has had its tribulations (to say the least – Brexit, Covid, Arwen etc). The cost of living and world events will be factors that play a part in how we go forward – we have no control over these but by maintaining our quality and with appropriate considered development I believe our position remains strong and robust as a charity in our ability to deliver our objectives.



Dr David E C Baring  
Chairman

Date: 14 November 2022

# HOWICK TRUSTEES LIMITED

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)

### FOR THE YEAR ENDED 31 MARCH 2022

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The Governors present their annual report and financial statements of Howick Trustees Limited ("HT") for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the HT's Articles of Association, the Companies Act 2006 and "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 (FRS 102)" (effective 1 January 2019).

#### Objectives and activities

The objectives for which HT is established are:

- the acquisition and preservation and conservation and improvement for the benefit of the public of places of historical or archaeological interest or of natural or cultivated beauty in Northumberland and the provision of ready access to them by the public;
- to advance the education of the public in matters of conservation, horticulture, architecture, the arts and the history of Howick and the surrounding area in particular by the display and exhibition of related artwork and the supply of interpretive and educational materials.

The principle activity of HT is to maintain and develop the garden and arboretum at Howick, with its surrounding countryside; if there are spare funds available after that, they are spent on other objectives. It also intends to restore the ground floor of Howick Hall and open it to the public in conjunction with the garden.

#### Public Benefit

The Governors have regard to the guidance on public benefit issued by the Charity Commission and consider that HT fulfils its obligations to comply with charitable status by:

- opening Howick Hall Gardens and Arboretum to the public for a small charge every day from early Spring until late Autumn;
- developing an education programme on the local flora and fauna for both visitors and local schools; and
- opening the front hall on the ground floor of Howick Hall as a Visitor Centre to increase the information on the Gardens and Arboretum available to the public.

In the opinion of the Governors, HT contributes to three of the Charity Commission's tests for public benefit:-

1. the advancement of the arts, culture, heritage or science.
2. the advancement of environmental protection or improvement.
3. the advancement of education.

HT contributes to heritage by protecting the property in its ownership, which has high heritage value and making most of it open to the public.

The arboretum has scientific value since it is entirely planted with trees and shrubs grown from seed collected in the wild under duly authorised permits where relevant, fully documented, mapped and with a computerised data base, some of which is now on HT's website.

HT's policy is to manage the land it owns to enhance its environmental value for the natural world where possible; of particular interest at the moment is the battle to prevent the encroachment of the grey squirrel in order to preserve the native red squirrel at Howick.

HT wishes to increase its educational role, particularly for children, in all aspects of nature but recognises that it can only do so within the constraints of funds available to it. The licence to the North-East branch of the National Autistic Society to create a Sensory Garden outside of the south wall of the old walled garden has been renewed for a further 12 months.

# HOWICK TRUSTEES LIMITED

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### Fixed Assets

HT owns the freehold of approximately 1,215 acres of land in Northumberland, nearly all of which was received by gift from Lord Howick in 1977 and later years. About 1,182 acres are within an Area of Outstanding Natural Beauty and includes nearly 2 miles of shoreline which is a Site of Special Scientific Interest, and part of the Northumberland Coast Special Protection Area. It has also been designated a Special Area of Conservation by the European Commission.

The main parts of the Estate are three farms tenanted at normal commercial rates with farm buildings and houses amounting to about 820 acres; about 230 acres of mainly broadleaf woodlands; 30 houses either occupied by HT's employees and pensioners, or let at normal market rents; and the centre part, the east quadrant, and the east wing of Howick Hall, all Grade 2\* listed buildings and the historic home of the Earls Grey, with its surrounding gardens and policies. Lord Howick retains the freehold of the west quadrant and west wing with its garden. The land and buildings within the Area of Outstanding Natural Beauty are treated by the Governors as functional property and are held as part of the objects of HT's charitable objectives. Outside the AONB, on the other side of the boundary road, HT owns the freehold of about 6 acres of broadleaf woodlands.

HT also owns the freehold of a nearby commercial property given to it in 1979 by Lord Howick of about 22 acres let on normal commercial terms to Tarmac Trading Ltd and used by their underlessee to manufacture concrete pipes; the site also contains a mobile telephone mast let on normal commercial terms to EE Ltd. The Governors treat these assets as investment properties.

### Summary of Policies to Achieve Objectives

Howick Hall was the home of the Earls Grey, the most distinguished of whom was the 2<sup>nd</sup> Earl who was Prime Minister responsible for the Great Reform Bill of 1832, and for whom Earl Grey tea was created. The centre part of Howick Hall was burnt down in 1926 and lost all of its original Georgian interiors and much of its contents. The house was rebuilt to quite different internal designs by Sir Herbert Baker in 1928, and further alterations were made in 1970.

The Governors have resolved to maintain the overall style of gardening in the natural and informal manner established by 5<sup>th</sup> Earl and Countess Grey in 1920, and continued by their elder daughter, Lady Mary Howick, for which the gardens are well known. Howick is best known for its collection of inter-war daffodils and other spring bulbs, its woodland garden started in 1930 where many tender shrubs succeed in thriving together with many woodland herbaceous plants, its more formal borders and rockery around the Hall, its arboretum planted solely with trees and shrubs from the temperate world grown from wild seed collected on expeditions, and its bog garden which shows all the wild origin herbaceous plants collected on expeditions for the arboretum. A new Hydrangea Garden was started in the winter of 2015 in the south west corner of the garden and has established well. They have also resolved to continue to concentrate on English hardwoods in the woods at the expense of commercial conifers to improve their amenity value and habitat for wild life.

Because of the 1926 fire, the Governors have always felt that there is greater public benefit in developing and maintaining the gardens, arboretum and surrounding land than there is in the Hall, although the preservation of its exteriors are essential as the centre piece to the garden.

The arboretum was started in 1988 and is based upon trees and shrubs grown from seed collected in the wild in their natural habitats from numerous expeditions, particularly to Sichuan in China and to Japan and more recently to North America and Russia. The Asiatic expeditions were mainly undertaken in co-operation with Quarryhill Botanical Garden in California under the leadership of the Royal Botanic Gardens at Kew while those to Japan, Russia and North America in recent years have been under the leadership of Royal Botanic Garden Edinburgh. Other countries visited include India, New Zealand, Tasmania and a number in Europe. The field data on all collections has been recorded on a Microsoft database, much of which is now accessible on HT's website. The arboretum has been professionally mapped. There are currently about 12,500 trees and shrubs representing about 1,800 taxa, some of which are classified as endangered in their natural habitats. This represents a considerable resource in North East England, which will offer educational opportunities in the future as well as contributing to ex situ aspects of species conservation.

The garden has an outstanding collection of early 20<sup>th</sup> century daffodil hybrids, many of which are no longer available. HT's policy is to conserve this collection and not to introduce more recent hybrids into the garden area.

# HOWICK TRUSTEES LIMITED

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Summary of Policies to Achieve Objectives continued

As one of the few remaining places in England where the native red squirrel is still to be seen, HT will do its best to prevent grey squirrels from establishing themselves and will co-operate with all interested parties to keep them at bay. It has to be said that this will not be easy and the number of grey squirrels controlled is increasing each year.

The garden and arboretum are open daily from early spring to late autumn; all details are shown on HT's website.

#### Financial review

The Governors consider that HT has adequate liquidity to meet its liabilities. Its principal sources of income are investments, property rents and garden entrance fees. While investment income and property rents are relatively stable and easy to calculate, the Governors recognise that garden entrance income can be affected by economic conditions and the weather. However, since the actual garden income is known by early November each year, it is possible to adjust expenditure accordingly.

It is certain that substantial funds will have to be raised to fund the sewage treatment works across the Estate as mentioned above and the amount required is still being assessed; the Governors will review the options available to raise these funds from the sale of investments or by borrowing or sale of peripheral property.

Further details of income and expenditure are set out in the Statement of Financial Activities on pages 13 to 14 together with related notes.

#### Reserves

It is not HT's normal policy to hold revenue reserves which derive from an excess of normal income over normal expenditure; the Governors intend to spend the income available to them annually on HT's objectives. The reason for this is that the Governors consider that HT has sufficient liquidity to meet unforeseen liabilities; however, they are conscious that HT's assets should try to generate sufficient income to meet its day to day liabilities, all of which are vulnerable to inflation. The Governors may also accumulate some revenue reserves if they know that there is major expenditure of either a capital or revenue nature in the foreseeable future or if they wish to repay capital reserves previously drawn down.

The Governors are prepared to draw down on capital reserves to further HT's objectives if in their opinion, HT's overall financial position justifies it.

#### Investments

The Articles of Association confers on HT powers to 'invest funds of the foundation not immediately required for its purposes in or upon such investments, securities or property as it may think fit.'

The Governors have established a policy to invest for the long term for capital growth on a medium risk basis.

All investments have been acquired in accordance with the powers conferred by the Articles of Association and conform to the policy set by the Governors. The investment portfolio is managed to maintain a balance between capital growth and income, with the risk spread widely and this is achieved by concentrating on Common Investment Funds, Fixed Interest Unit Trusts and one International Investment Trust purchased in consultation with HT's financial advisors, Charles Stanley & Co. Limited; since these are all mixed funds with a wide range of underlying holdings, the Governors consider that the question of an ethical policy for investments does not arise.

The Governors have delegated the overseeing of the portfolio to an Investment Committee consisting of Dr David E C Baring, Mr Mark Bridgeman and Sir Walter Riddell, all of whom have substantial financial experience, under a written policy.

The Governors collectively review the investment performance of each fund formally against the relevant indices annually and the office monitors performance informally throughout the year. The value of HT's portfolio increased from £2,587,310 at 31 March 2021 to £2,667,567 at 31 March 2022.

# HOWICK TRUSTEES LIMITED

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Risk assessment

The Governors have developed a number of policies on risk management which are reviewed annually.

They consider the major risks facing HT are Public Liability and Employers Liability, Health and Safety, and Financial Management, and the following steps have been taken to mitigate those risks:

- Public Liability is covered by insurance which is reviewed annually with HT's insurance brokers.
- Health and Safety is reviewed annually by an external consultant and the recommendations in his report are normally implemented. If any recommendation is not accepted a detailed note is filed regarding the decision and the reasons for it.
- Under Financial Management, internal controls are reviewed annually on a sample basis in conjunction with our auditors. An annual budget of income and expenditure is prepared for the Governors' approval. All data held on the computer is backed up regularly and stored off site.

### Financial Risk Management

The Governors have considered the financial risks HT faces. They consider liquidity to be the key risk. This is monitored through the regular review of a range of financial information, including annual budgets of income and expenditure.

### Plans for future periods

HT's future plans have been materially affected by the events (political and pandemic related) of the last 3 years. The Governors consider that a substantial part of HT's income may be adversely affected due to the disruption. The visitor business and holiday let were affected by lockdowns. The stock portfolio initially saw a substantial reduction in valuation which has now recovered. There remains ongoing uncertainty and as such future planning will have to be contingent on these variables. The internal work on the ground floor is now complete, however the facilities created are now open for visitor use however some development is required to expand the opportunities for income generation to recoup the expenditure on the redevelopment. Following recent legislation on sewage treatment, the Governors are reviewing all current systems on HT's estate and foresee that substantial expenditure will be required, mainly to separate the foul material from the rainwater. A programme of works is being undertaken as all the necessary consents are obtained.

For the time being, therefore, the Governors will continue to manage the garden and arboretum as at present.

### Share Capital

HT is a company limited by guarantee, and therefore does not have share capital. The guarantee is provided by the Governors of HT and in the event of winding up the Governors have each undertaken to contribute to payment of liabilities such amount as may be required not exceeding a total of £1.

### Structure, governance and management

HT is governed by its Articles of Association, which were reviewed in 2015 and subsequently altered by written resolution on 23<sup>rd</sup> October 2015. This review takes place every five years, the next being due in 2025.

The Governors are responsible for setting the strategy for HT and establishing and monitoring the methods by which the aims of that strategy are achieved. The Governors are also responsible for all financial matters, including establishing and monitoring internal financial controls, an annual budget including capital transactions, managing HT's investments, health and safety procedures and risk management. All day to day management is delegated by the Governors to Dr David E C Baring under written terms of reference which are reviewed annually. HT works closely with a neighbouring farm owned by Dr David E C Baring, resulting in some shared services. These are disclosed in full in note 10.

HT does not employ a Director or Financial Director; its employees are paid according to national standards in horticulture, woods and estate work.

# HOWICK TRUSTEES LIMITED

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

*FOR THE YEAR ENDED 31 MARCH 2022*

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The Governors, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Dr David E.C. Baring

Charles M. Erskine

(Resigned 13 September 2021)

Mark G.O. Bridgeman

Sir Walter J.B. Riddell Bt

Matthew G. Darby

Victoria J. Baring

David G. Knott

### **Appointment of Governors**

The Governors fall within the meaning of Trustees as defined in the Charities Act and within the meaning of Directors as defined in the Companies Act. They are appointed by the board with the consent of the founder, Lord Howick who passed these powers onto Dr David E C Baring. There is no fixed term of appointment and Governors retire and are appointed according to the requirements of HT.

New Governors are given a copy of the Articles of Association, the latest report and accounts, and all of HT's documents covering policies and governance. Subject to their experience and expertise, they are also given documents issued by the Charity Commission explaining the duties of trustees of charities and offered training in any area of their duties which they think they would like to strengthen.

The present Governors have considerable knowledge and expertise in finance, horticultural matters and the management of country estates.

### **Statement of Governors' responsibilities**

The Governors, who are also the directors of Howick Trustees Limited for the purpose of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the HT and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the HT will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the HT 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 HT and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditor**

In accordance with the company's articles, a resolution proposing that Greaves West & Ayre be reappointed as auditor of the company will be put at a General Meeting.

# HOWICK TRUSTEES LIMITED

## GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### Disclosure of information to auditor

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Governors' report was approved by the Board of Governors.



Dr David E.C. Baring  
Governor

14 November 2022

# HOWICK TRUSTEES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE GOVERNORS OF HOWICK TRUSTEES LIMITED

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#### Opinion

We have audited the financial statements of Howick Trustees Limited ('HT') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the HT in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 27 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the HT's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# HOWICK TRUSTEES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE GOVERNORS OF HOWICK TRUSTEES LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Governors' report for the financial year for which the financial statements are prepared, which includes the Directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the Directors' report included within the Governors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the HT and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Governors' report.

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

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

#### **Responsibilities of Governors**

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the HT for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Governors are responsible for assessing the HT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# HOWICK TRUSTEES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE GOVERNORS OF HOWICK TRUSTEES LIMITED

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#### **The Extent to which the Audit was considered capable of Detecting Irregularities, including Fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, were as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognize non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Charity through discussions with Governors and other management, and from our commercial knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Charity, including legislation such as the Companies Act 2006, Charities Act 2011 and employment legislation;
- we assessed the extend of compliance with the laws and regulations identified above through making enquiries of management, contacting the entity's solicitor for any details of non-compliance and inspected current year legal expenditure; and
- identified laws and regulations of particular relevance were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal control in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, including any fraud associated with revenue recognition, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- carried out a review of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in accounting policy Note 2 were indicative of potential bias;
- traced a sample of rent from house and land and ticket income from garden and arboretum entrance fees from source documentation to nominal ledgers;
- agreed a sample of dividend income to information received from fund managers and external independent data; and
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims against the Charity; and
- reviewed health and safety audit report from Green's of Haddington.

# HOWICK TRUSTEES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE GOVERNORS OF HOWICK TRUSTEES LIMITED

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Governors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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



**Stuart Allister CA (Senior Statutory Auditor)**  
for and on behalf of Greaves West & Ayre

*30 NOVEMBER 2022*

**Chartered Accountants**  
**Statutory Auditor**

17 Walkergate  
Berwick-upon-Tweed  
Northumberland  
TD15 1DJ

# HOWICK TRUSTEES LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

	Notes	Unrestricted funds Revenue 2022 £	Unrestricted funds Capital 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b><u>Income and endowments from:</u></b>						
Donations and legacies	3	66,043	-	139	66,182	121,197
Charitable activities	4	272,800	-	-	272,800	154,854
Other trading activities	5	392,678	-	-	392,678	354,273
Investments	6	65,201	-	-	65,201	63,697
Other income	7	18,515	3,582	-	22,097	3,369
<b>Total income</b>		<b>815,237</b>	<b>3,582</b>	<b>139</b>	<b>818,958</b>	<b>697,390</b>
<b><u>Expenditure on:</u></b>						
Charitable activities	8	856,109	73,362	139	929,610	740,896
Net gains/(losses) on investments	12	-	130,313	-	130,313	568,198
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(40,872)</b>	<b>60,533</b>	<b>-</b>	<b>19,661</b>	<b>524,692</b>
Gross transfers between funds		32,936	(32,936)	-	-	-
<b>Net movement in funds</b>		<b>(7,936)</b>	<b>27,597</b>	<b>-</b>	<b>19,661</b>	<b>524,692</b>
Fund balances at 1 April 2021		(15,494)	4,227,860	-	4,212,366	3,687,674
<b>Fund balances at 31 March 2022</b>		<b>(23,430)</b>	<b>4,255,457</b>	<b>-</b>	<b>4,232,027</b>	<b>4,212,366</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# HOWICK TRUSTEES LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

	Notes	Unrestricted funds Revenue 2021 £	Unrestricted funds Capital 2021 £	Restricted funds 2021 £	Total 2021 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	75,810	-	45,387	121,197
Charitable activities	4	154,854	-	-	154,854
Other trading activities	5	354,273	-	-	354,273
Investments	6	63,697	-	-	63,697
Other income	7	2,513	856	-	3,369
<b>Total income</b>		<b>651,147</b>	<b>856</b>	<b>45,387</b>	<b>697,390</b>
<b><u>Expenditure on:</u></b>					
Charitable activities	8	617,728	77,781	45,387	740,896
Net gains/(losses) on investments	12	-	568,198	-	568,198
<b>Net (outgoing)/incoming resources before transfers</b>		<b>33,419</b>	<b>491,273</b>	<b>-</b>	<b>524,692</b>
Gross transfers between funds		(58,379)	58,379	-	-
<b>Net movement in funds</b>		<b>(24,960)</b>	<b>549,652</b>	<b>-</b>	<b>524,692</b>
Fund balances at 1 April 2020		9,466	3,678,208	-	3,687,674
<b>Fund balances at 31 March 2021</b>		<b>(15,494)</b>	<b>4,227,860</b>	<b>-</b>	<b>4,212,366</b>

# HOWICK TRUSTEES LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14	1,100,690		1,153,719	
Heritage assets	15	212,199		211,831	
Investment properties	16	275,000		275,000	
Investments	17	2,667,568		2,587,310	
		<u>4,255,457</u>		<u>4,227,860</u>	
<b>Current assets</b>					
Debtors	20	113,924		75,984	
Cash at bank and in hand		54,072		35,452	
		<u>167,996</u>		<u>111,436</u>	
<b>Creditors: amounts falling due within one year</b>	21	<u>(191,426)</u>		<u>(126,930)</u>	
<b>Net current liabilities</b>			<u>(23,430)</u>		<u>(15,494)</u>
<b>Total assets less current liabilities</b>		<u>4,232,027</u>		<u>4,212,366</u>	
<b>Income funds</b>					
Unrestricted funds - Capital		4,255,457		4,227,860	
Unrestricted funds - Revenue		(23,430)		(15,494)	
		<u>4,232,027</u>		<u>4,212,366</u>	

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Governors on 14 November 2022 and were signed on their behalf by:



Dr David E.C. Baring  
Governor



Mark G.O. Bridgeman  
Governor

Company registration number 1208214

# HOWICK TRUSTEES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	25		(129,516)		(8,132)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(20,751)		(61,128)	
Proceeds from disposal of tangible fixed assets		4,000		2,750	
Purchase of heritage assets		(368)		-	
Purchase of subsidiaries		(1)		-	
Proceeds from disposal of other investments		50,055		-	
Investment income received		65,201		63,697	
<b>Net cash generated from investing activities</b>			98,136		5,319
<b>Financing activities</b>					
Proceeds from borrowings		50,000		-	
<b>Net cash generated from/(used in) financing activities</b>			50,000		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			18,620		(2,813)
Cash and cash equivalents at beginning of year			35,452		38,265
<b>Cash and cash equivalents at end of year</b>			<u>54,072</u>		<u>35,452</u>
<b>Relating to:</b>					
Cash at bank and in hand			<u>54,072</u>		<u>35,452</u>

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Charity information

Howick Trustees Limited ("HT") is a private company limited by guarantee, incorporated in England and Wales and is registered with the Charity Commission under number 504347. The registered office is Howick Estate Office, Alnwick, Northumberland, NE66 3LB.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with HT's Articles of Association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 (FRS 102)" (effective 1 January 2019). The HT is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of HT. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

At the time of approving the financial statements, the Governors have a reasonable expectation that HT has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the financial statements. HT has substantial net assets and continually manages cash reserves. Despite the uncertain economic outlook and the financial uncertainty around the willingness of the public to purchase admission tickets, visitor numbers continue to be strong and the Governors consider the going concern basis is appropriate.

##### 1.3 Charitable funds

The revenue fund represents the income and expenditure incurred in the day to day running of HT.

The capital fund represents the value of the estate and investments held by HT which are separately identified in the accounts. Both of these funds are considered by the Governors to be unrestricted.

The designated fund represents unrestricted funds that have been set aside by the Governors for particular purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

The restricted fund represents funds received which are to be used in accordance with specific restrictions imposed by the donors. The purpose and uses of the restricted funds are set out in the notes to the accounts.

##### 1.4 Income

Income is recognised and included in the accounts when all of the following criteria are met:

- HT has entitlement to the funds;
- any performance conditions attached to the income have been met;
- there is sufficient certainty that the receipt of the income is considered probable; and
- the amount can be measured reliably.

Cash donations are recognised on receipt. Other donations are recognised once HT has been notified of the donation, unless performance conditions require deferral of the amount.

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

All grants are used for charitable expenditure and capital items and are recognised in full in the year in which they are receivable, or when the conditions for receipt have been met.

Investment income comprises dividends receivable during the year on listed investments held within the investment portfolio as well as interest receivable.

#### 1.5 Expenditure

Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates. Where costs are attributable to more than one activity, they are allocated on a reasonable and consistent basis, based on usage. Governance costs are those incurred in the governance of the charity and are primarily associated with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are capitalised and included at cost where the purchase price generally exceeds £500.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land	Nil
Buildings	2% of original cost
Car Park	4% of original cost
Biomass	4% of original cost
Visitor Centre and Artwork	3.33% of original cost and 10% of original cost
Hall	20% straight line
Plant and machinery	15% reducing balance
Tractors	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

All assets are reviewed for impairment and written down to their recoverable amount, where necessary.

The land and buildings let under tenancy are treated by the governors as functional property and are held as part of the objects of HT's charitable objectives and therefore, in line with FRS102, these land and buildings are held at cost less any depreciation and impairment rather than market value.

#### 1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in statement of financial activities. Depreciation is not charged on investment properties.

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### 1.8 Heritage assets

Heritage assets consist of a number of paintings, prints, sculptures and other pieces which the Governors have deemed to be of historical and artistic importance that are held and maintained principally for their contribution to knowledge and culture.

Purchased heritage assets are valued at cost. Donated heritage assets are valued by the Governors based on their knowledge and experience and treated as deemed cost.

The heritage assets held are considered to have indefinite lives and are therefore not depreciated; as such their value is reviewed on an annual basis at the balance sheet date for impairment.

Expenditure which, in the Governors view, is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the income and expenditure account when it is incurred.

#### 1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the HT. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.10 Impairment of fixed assets

At each reporting end date, HT reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

HT has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in HT's balance sheet when HT becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the HT transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when HT's contractual obligations expire or are discharged or cancelled.

### 1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when HT is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Critical accounting estimates and judgements

In the application of HT's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Investment Property Valuation

Investment property is measured at fair value at each reporting date with changes in fair value recognised in Statement of Financial Activities. The Board of Governors determine the fair value of investment property using the assistance of an independent expert, Wardell Armstrong. Wardell Armstrong is an independent consultancy firm of registered valuers and property experts. Their valuation is prepared in accordance with RICS Global Valuations Standards. The valuation methodology considers the property lease terms and conditions, cash inflow stream and discount rate in order to derive the Fair Value of the subject property. The governors have considered the market valuations of the property at 30 March 2022 and have deemed there to be no material changes to the property's fair value of £275,000 at the year end.

#### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	Revenue		Revenue		
	2022	2022	2022	2021	2021
	£	£	£	£	£
Donations and gifts	37,610	-	37,610	23,804	23,804
Grants	28,433	139	28,572	52,006	97,393
	<u>66,043</u>	<u>139</u>	<u>66,182</u>	<u>75,810</u>	<u>121,197</u>
<b>Grants receivable for core activities</b>					
COVID-19 Business support	-	-	-	30,000	30,000
COVID-19 Local restriction support	-	-	-	22,006	22,006
HMRC Job retention	-	-	-	45,387	45,387
Other	28,433	139	28,572	-	-
	<u>28,433</u>	<u>139</u>	<u>28,572</u>	<u>52,006</u>	<u>97,393</u>

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 4 Charitable activities

	Garden and arboretum	Woods	Total	Garden and arboretum	Woods	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Income within charitable activities	272,116	684	272,800	154,682	172	154,854

### 5 Other trading activities

	Unrestricted funds Revenue 2022 £	Unrestricted funds Revenue 2021 £
Rents from houses and land	360,690	308,739
Biomass income	31,988	45,534
Other trading activities	392,678	354,273

### 6 Investments

	Unrestricted funds Revenue 2022 £	Unrestricted funds Revenue 2021 £
Income from listed investments	65,198	63,690
Interest receivable	3	7
	65,201	63,697

### 7 Other income

	Unrestricted funds Revenue 2022 £	Unrestricted funds Capital 2022 £	Total 2022 £	Unrestricted funds Revenue 2021 £	Unrestricted funds Capital 2021 £	Total 2021 £
Net gain on disposal of tangible fixed assets	-	3,582	3,582	-	856	856
Other income	18,515	-	18,515	2,513	-	2,513
	18,515	3,582	22,097	2,513	856	3,369

## HOWICK TRUSTEES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

8 Charitable activities	Direct	Property	Overhead	Total	Direct	Property	Overhead	Total
	Charitable Expenditure	Repairs and Renewals	Expenses	2022	Charitable Expenditure	Repairs and Renewals	Expenses	2021
	2022	2022	2022	2022	2021	2021	2021	2021
	£	£	£	£	£	£	£	£
Staff costs	311,678	-	-	311,678	287,464	-	-	287,464
Depreciation and impairment	73,362	-	-	73,362	77,781	-	-	77,781
Woodlands and sawmill	30,150	-	-	30,150	23,650	-	-	23,650
Garden and arboretum	79,603	-	-	79,603	59,495	-	-	59,495
Rates and insurances	-	-	31,609	31,609	-	-	36,491	36,491
Property repairs and renewals: Howick Hall	-	17,036	-	17,036	-	14,556	-	14,556
Property repairs and renewals: Bathing House and Old School House	-	28,120	-	28,120	-	3,699	-	3,699
Property repairs and renewals: Others	-	156,567	-	156,567	-	88,155	-	88,155
Vehicles and equipment expenses	7,208	-	-	7,208	4,559	-	-	4,559
Sundry and office expenses	-	-	48,168	48,168	-	-	27,635	27,635
Non-recoverable VAT	-	-	35,837	35,837	-	-	30,749	30,749
	<u>502,001</u>	<u>201,723</u>	<u>115,614</u>	<u>819,338</u>	<u>452,949</u>	<u>106,410</u>	<u>94,875</u>	<u>654,234</u>
Share of governance costs (see note 9)	-	-	110,272	110,272	-	-	86,662	86,662
	<u>502,001</u>	<u>201,723</u>	<u>225,886</u>	<u>929,610</u>	<u>452,949</u>	<u>106,410</u>	<u>181,537</u>	<u>740,896</u>
<b>Analysis by fund</b>								
Unrestricted funds - Revenue	428,500	201,723	225,886	856,109	329,781	106,410	181,537	617,728
Unrestricted funds - Capital	73,362	-	-	73,362	77,781	-	-	77,781
Restricted funds	139	-	-	139	45,387	-	-	45,387
	<u>502,001</u>	<u>201,723</u>	<u>225,886</u>	<u>929,610</u>	<u>452,949</u>	<u>106,410</u>	<u>181,537</u>	<u>740,896</u>

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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9 Governance costs	2022	2021
	£	£
Audit and accountancy	14,000	12,650
Professional fees	96,272	74,012
	<u>110,272</u>	<u>86,662</u>
Analysed between		
Charitable activities	<u>110,272</u>	<u>86,662</u>

Governance costs includes payments to the auditors of £9,500 (2021: £8,500) for audit fees.

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 10 Transactions with Governors

No Governors (or any persons connected with them) received or were entitled to receive any remuneration or benefits for their services to the Charitable Company during the year (2021: None).

HT rents 3 houses (2021: 3) from Lord Howick and 1 from Hon. David E.C. Baring (2021: 1) for employees and pensioners. Rent paid totals £20,196 (2021: £20,196) and £4,266 (2021: £4,266) respectively, which is materially lower than the rents advised as reasonable by HT's estate agents.

During the year, Hon. David E.C. Baring's employees performed work at cost on behalf of HT of £Nil (2021: £223).

Lord Howick contributed £Nil (2021: £Nil) towards the cost of maintaining the party yew hedge between HT's garden and the West Wing garden. During the year, Lord Howick made a donation payment to HT in order to cover the purchase cost of Heritage Asset purchased by HT of £368 (2021: £Nil). In addition to this, Lord Howick made an ad-hoc purchase from HT of £343 (2021: £Nil) for a number of bags of logs from fallen trees at a fair open market value.

HT employs two office staff and two woodmen part-time; they also work part-time for Howick Estate on separate contracts.

As at 31 March 2022, £7,579 (2021: £2,414) remained due to HT from transactions with the Governors.

During the year, HT obtained an unsecured loan of £50,000 from Howick Farm Estate which is repayable on demand. The full amount of the loan £50,000 (2021: £Nil) was due to Howick Farm Estate by HT as at 31 March 2022.

Lord Howick is deemed to be a related party, due to him being a former Governor (until his retirement in 2019) and father of current Chair of Governors Hon. David E.C. Baring.

#### Office Expenses

HT shares the estate office with Howick Estate and Howick Farm Estate and therefore shares the associated costs. During the year 31 March 2022, Howick Estate paid £3,914 (2021: £3,028) in office expenses, Howick Farm and Estate paid £3,9,14 (2021: £3,160), a division to HT's advantage.

#### Electricity Expenses

In order to maximise better electricity tariffs with its suppliers, HT moved to the direct debit method of payment in order to settle its outstanding liabilities. In doing so, Lord Howick reimbursed HT £5,288 (2021: £6,785) for his related electricity expense for the year ended 31 March 2022. On the other hand, Lord Howick received his share from a compensation payment made to HT by the electricity provider following Storm Arwen of £342 (2021: £Nil) during the year.

#### Biomass Expenses

Following completion and commissioning of the Biomass Boiler System, HT is able to recharge Lord Howick his proportion of metered KW heat usage. During the year, Lord Howick reimbursed HT £5,983 (2021: £6,789) for biomass energy.

#### Governors Expenses

During the year, no expenses were reimbursed to Governors (2021: £Nil).

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 11 Employees

The average monthly number of employees during the year was:

2022 Number	2021 Number Restated
23	22

#### Employment costs

	2022 £	2021 £
Wages and salaries	276,562	253,612
Social security costs	12,840	10,737
Other pension costs	22,276	23,115
	<u>311,678</u>	<u>287,464</u>

#### Remuneration of Key Management Personnel

Key management has been determined to be the Governors and the 5 members (2021: 3) of the senior management team. Governors receive no remuneration or benefits. The total remuneration of the senior management team excluding employers National Insurance costs £71,162 (2021: £68,610).

There were no employees whose annual remuneration was more than £60,000 (2021: None).

### 12 Net gains/(losses) on investments

	Unrestricted funds Capital 2022 £	Unrestricted funds Capital 2021 £
Revaluation of investments	128,858	568,198
Gain/(loss) on sale of investments	1,455	-
	<u>130,313</u>	<u>568,198</u>

### 13 Taxation

HT, being a registered charity, is not liable to UK income tax, corporation tax or capital gains tax as long as the income it receives is applied to charitable purposes. There are therefore no tax charges in the accounts.

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 14 Tangible fixed assets

	Land	Biomass	Plant and machinery	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2021	929,029	804,494	170,396	1,903,919
Additions	-	751	20,000	20,751
Disposals	-	-	(10,800)	(10,800)
At 31 March 2022	<u>929,029</u>	<u>805,245</u>	<u>179,596</u>	<u>1,913,870</u>
<b>Depreciation and impairment</b>				
At 1 April 2021	283,533	329,152	137,515	750,200
Depreciation charged in the year	16,907	45,394	11,061	73,362
Eliminated in respect of disposals	-	-	(10,382)	(10,382)
At 31 March 2022	<u>300,440</u>	<u>374,546</u>	<u>138,194</u>	<u>813,180</u>
<b>Carrying amount</b>				
At 31 March 2022	<u>628,589</u>	<u>430,699</u>	<u>41,402</u>	<u>1,100,690</u>
At 31 March 2021	<u>645,496</u>	<u>475,342</u>	<u>32,881</u>	<u>1,153,719</u>

The Governors consider that current open market value of freehold land and buildings to be £12,200,000, all of which is treated as functional property.

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 15 Heritage assets

	Total £
At 1 April 2021	211,831
Purchases	368
	<u>          </u>
<b>At 31 March 2022</b>	<b>212,199</b>
	<u>          </u>

HT has been left a legacy of historical papers known as the Grey Archive, currently on permanent loan to the University of Durham. The Governors have brought these into the accounts at a nominal valuation of £1 since no purpose would be served by incurring the expense of getting a professional valuation as the papers are unique and irreplaceable and are held as part of HT's objects.

The Governors have not insured the Grey Archive since no purpose would be served by incurring the cost of the premium for these papers. The Governors have been informed that the Grey Archive is partly covered by Durham University's insurance policy.

#### Summary Analysis of Heritage Asset Transactions

	2022 £	2021 £	2020 £	2019 £	2018 £
Purchases and additions	368	-	-	3,600	2,780
Donations	-	-	-	-	-
	<u>          </u>				
<b>Total additions</b>	<b>368</b>	<b>-</b>	<b>-</b>	<b>3,600</b>	<b>2,780</b>
	<u>          </u>				
Charge for impairment	-	-	-	-	-
	<u>          </u>				
<b>Total charge for impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<u>          </u>				
Disposals	-	-	-	-	-
	<u>          </u>				
<b>Total disposals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<u>          </u>				
Proceeds from disposals	-	-	-	-	-
	<u>          </u>				
<b>Total sales proceeds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<u>          </u>				

### 16 Investment property

	2022 £
<b>Fair value</b>	
At 1 April 2021 and 31 March 2022	275,000
	<u>          </u>

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 16 Investment property

(Continued)

The investment property relates to Howick Pipeworks. This commercial property was given to HT in 1979 by Lord Howick and was independently valued on an open market basis by Wardell Armstrong who have considerable experience in this area, on 20 August 2020. The area of about 22 acres is let on normal commercial rates to Tarmac; the site also contains a mobile telephone mast let on normal commercial terms to EE Ltd with T-Mobile and Vodafone as subtenants.

The governors have considered the market valuations of the property at 30 March 2022 and have deemed there to be no material changes to the property's fair value at the year end.

All real estate is held in the United Kingdom.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2022 £	2021 £
Cost	29,600	29,600

#### 17 Fixed asset investments

	Listed investments £	Other investments	Total £
<b>Cost or valuation</b>			
At 1 April 2021	2,587,310	-	2,587,310
Additions	-	1	1
Valuation changes	128,857	-	128,857
Disposals	(48,600)	-	(48,600)
At 31 March 2022	2,667,567	1	2,667,568
<b>Carrying amount</b>			
At 31 March 2022	2,667,567	1	2,667,568
At 31 March 2021	2,587,310	-	2,587,310

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	18	1	-

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 17 Fixed asset investments (Continued)

	2022	2021
	£	£
Investments at fair value comprise:		
Blackrock Fund Managers Ltd BLK Charities UK Equity A	534,040	496,146
RIT Capital Partners Ordinary £1	1,417,163	1,382,400
M&G Charifund Income Units	364,137	339,404
Legg Mason Investment Funds - Global Multi Strategy Bond	129,079	138,267
Schroder Oriental Income Fund Ordinary £0.01	140,242	144,641
Aviva Investors UK SCVS Ltd Strategic Bond	82,906	86,452
	<u>2,667,567</u>	<u>2,587,310</u>

#### Fixed asset investments revalued

The quoted investments, which are listed above, are held through authorised Common Investment Funds, Unit Trusts and Investment Trusts.

All quoted investments are held in the United Kingdom. They are included above at market value. The historic cost of the investment portfolio is £1,180,924 (2021 £1,199,896).

### 18 Subsidiaries

Name of undertaking	Registered office	Nature of business	Class of shares held		% Held	
			Direct	Indirect	Direct	Indirect
Howick Hall Ltd	Howick Estate Office, Howick, Alnwick, Northumberland, United Kingdom, NE66 3LB	Dormant	Ordinary	100.00		

The investment in subsidiaries are all stated at cost.

19 Financial instruments	2022	2021
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	98,051	64,586
Instruments measured at fair value through profit or loss	<u>2,667,567</u>	<u>2,587,310</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>191,426</u>	<u>126,930</u>

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

<b>20 Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	61,797	56,498
Other debtors	46,395	14,036
Prepayments and accrued income	5,732	5,450
	<u>113,924</u>	<u>75,984</u>
<b>21 Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loans and overdrafts	50,000	-
Payments received on account	54,590	76,467
Trade creditors	51,171	21,965
Other creditors	559	475
Accruals and deferred income	35,106	28,023
	<u>191,426</u>	<u>126,930</u>
<b>22 Loans and overdrafts</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loans from related parties	<u>50,000</u>	<u>-</u>
Payable within one year	<u>50,000</u>	<u>-</u>

Loan from related parties is an interest free unsecured loan which is repayable in demand as noted in Note 10.

**HOWICK TRUSTEES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

**23 Analysis of net assets between funds**

	Unrestricted funds - Revenue	Unrestricted funds - Capital	Restricted funds	Total Unrestricted funds - Revenue	Unrestricted funds - Capital	Restricted funds	Total
	2022	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:							
Tangible assets	-	1,100,690	-	1,100,690	-	1,153,719	-
Heritage assets	-	212,199	-	212,199	-	211,831	-
Investment properties	-	275,000	-	275,000	-	275,000	-
Investments	-	2,667,568	-	2,667,568	-	2,587,310	-
Current assets/(liabilities)	(23,430)	-	-	(23,430)	(15,494)	-	(15,494)
	<u>(23,430)</u>	<u>4,255,457</u>	<u>-</u>	<u>4,232,027</u>	<u>(15,494)</u>	<u>4,227,860</u>	<u>-</u>
							<u>4,212,366</u>

**Unrestricted Revenue Fund**

The Unrestricted Revenue Fund represents the free funds which are available for use at the discretion of the Governors in furtherance of the general objectives of HT.

**Unrestricted Capital Fund**

The Unrestricted Capital Fund represents the value of the estate and investments held by HT which are separately identified in the accounts.

**Restricted Fund**

The restricted fund is used by the Governors to classify correctly and record those funds subject to specific restricted conditions imposed by the donor.

**Transfers between Funds**

Transfers between funds are discussed and approved by the Governors. A full description of the purposes of each fund held is given above.

A transfer of £32,936 from the Unrestricted Capital Fund to the Unrestricted Revenue Fund has been carried out in order to realign the Capital Fund with the actual present value of the fixed assets that it represents as shown in the current year Statement of Financial Activities (2021 £58,379 transferred from the Unrestricted Revenue Fund to Unrestricted Capital Fund).

# HOWICK TRUSTEES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 24 Events after the reporting date

The trading activity of holiday lets was transferred to the subsidiary company, Howick Hall Ltd in September 2022. The total income relating to holiday lets in 2022 was £102,243 and is included within rental income. However, as a trading subsidiary, Howick Hall Ltd is expected to return all future profits generated from the trading activities back to Howick Trustees Ltd by means of a donation.

As a consequence of the political and economic uncertainty in the UK and the wider world, the investment portfolio has declined in value since the balance sheet date. Whilst this is not unexpected in the current turmoil, it may be a factor that affects the ongoing financial decisions of the governors.

25	Cash generated from operations	2022 £	2021 £
	Surplus for the year	19,661	524,692
	Adjustments for:		
	Investment income recognised in statement of financial activities	(65,201)	(63,697)
	Gain on disposal of tangible fixed assets	(3,582)	(856)
	Gain on disposal of investments	(1,455)	-
	Fair value gains and losses on investments	(128,858)	(568,198)
	Depreciation and impairment of tangible fixed assets	73,362	77,781
	Movements in working capital:		
	(Increase) in debtors	(37,940)	(13,267)
	Increase in creditors	14,497	35,413
	<b>Cash absorbed by operations</b>	<b>(129,516)</b>	<b>(8,132)</b>

26	Analysis of changes in net funds	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
	Cash at bank and in hand	35,452	18,620	54,072
	Loans falling due within one year	-	(50,000)	(50,000)
		<u>35,452</u>	<u>(31,380)</u>	<u>4,072</u>

#### 27 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the charitable company financial statements.

In common with many other businesses of our size and nature we use our auditor to obtain payroll services and ad-hoc business advice.

# HOWICK TRUSTEES LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

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	£	2022 £	£	2021 £
<b>Donations and legacies</b>				
Donations	37,610		23,804	
Grants	28,433		52,006	
Grants (Restricted)	139		45,387	
		<u>66,182</u>		<u>121,197</u>
<b>Activities for generating funds</b>				
Rents from houses and land	360,690		308,739	
Biomass income	31,988		45,534	
		<u>392,678</u>		<u>354,273</u>
<b>Investment income</b>				
Investment income	65,198		63,690	
Interest	3		7	
		<u>65,201</u>		<u>63,697</u>
<b>Incoming resources from charitable activities</b>				
Garden and arboretum	272,116		154,682	
Woods	684		172	
		<u>272,800</u>		<u>154,854</u>
<b>Other incoming resources</b>				
Other income	18,515		2,513	
Gain on disposal of tangible fixed assets	3,582		856	
		<u>22,097</u>		<u>3,369</u>
<b>Total incoming resources</b>		<u>818,958</u>		<u>697,390</u>
<b>Balance Carried Forward</b>		818,958		697,390

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# HOWICK TRUSTEES LIMITED

## DETAILED INCOME AND EXPENDITURE ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
£	£	£
Balance Brought Forward	818,958	697,390
<b><u>Resources expended</u></b>		
<b>Charitable activities</b>		
<b>Direct Charitable Expenditure</b>		
Wages and salaries	276,423	208,225
Social security costs	12,840	10,737
Staff pension costs	22,276	23,115
Woodlands and sawmill	30,150	23,650
Garden and arboretum	79,603	59,495
Vehicles and equipment expenses	7,208	4,559
Depreciation	73,362	77,781
Wages and salaries (Restricted)	139	45,387
	<u>(502,001)</u>	<u>(452,949)</u>
<b>Property Repairs and Renewals</b>		
Howick Hall	17,036	14,556
Bathing House and Old School House	28,120	3,699
Other	156,567	88,155
	<u>(201,723)</u>	<u>(106,410)</u>
<b>Overhead Expenses</b>		
Rates and insurances	31,609	36,491
Sundry and office expenses	48,168	27,635
Non-recoverable VAT	35,837	30,749
	<u>(115,614)</u>	<u>(94,875)</u>
<b>Governance costs</b>		
Audit and accountancy	14,000	12,650
Professional fees	96,272	74,012
	<u>(110,272)</u>	<u>(86,662)</u>
<b>Net movement on investments</b>		
Revaluation of investments	128,858	568,198
Gain or loss on sale of investments	1,455	-
	<u>130,313</u>	<u>568,198</u>
<b>Surplus for the Year</b>	<u><u>19,661</u></u>	<u><u>524,692</u></u>