

ANNUAL REPORT & CONSOLIDATED
FINANCIAL STATEMENTS

Year Ended 31st March 2024

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LEGAL AND ADMINISTRATIVE INFORMATION

Charity Name:	The Harley Foundation
Charity Registration number:	276611
Registered Office and operational address:	Portland Estate Office Worksop Nottinghamshire S80 3LT
Trustees:	Mr W H M Parente Ms D M A Parente Mr R J Brown Mrs Z Caldecott Ms D M Roberts (appointed on 5 April 2024)
Senior Management:	Ms Lisa Gee (Director)
Curatorial Advisory Group:	Mr M Hall Mrs K Hearn (Chair) Ms H Obee Mr H Wyndham
Auditors:	Dixon Wilson Audit Services LLP 22 Chancery Lane, London WC2A 1LS
Bankers:	NatWest Bank Plc 69 Bridge Street Worksop, S80 1DJ
Solicitors:	Wiggin Osborne Fullerlove 52 Jermyn Street London, SW1Y 6LX
Investment Managers:	CCLA Investment Management Limited Senator House, 85 Queen Victoria Street London, EC4V 4ET Thesis Asset Management Limited Exchange Building, St John's Street Chichester, PO19 1UP

WHO WE ARE AND WHAT WE DO

The Harley Foundation was set up in 1978 by the late Duchess of Portland to encourage creativity and to help maintain traditional craft skills. Today we aim to help more people access and enjoy the visual arts and to help artists and makers to continue to create.

- Vision** To encourage people to enjoy the visual arts and crafts.
- Mission** To create spaces where the imagination can flourish, and be enjoyed.
- Activities**
 - To spark creativity by bringing the old and the new face to face through public exhibitions in the Harley Gallery and the Portland Collection gallery.
 - To celebrate the handmade through exhibitions, events, and studio spaces.
 - To offer artists and makers spaces to create and sell their work.

Admission to both galleries is free.

At the Harley Studios we provide subsidised workspaces and special schemes of support for individual artists and makers.

The Harley Gallery has three exhibition spaces. The exhibition spaces show the work of contemporary artists and makers through a varied programme which changes five times annually. The Gallery has an annual programme of events for adult visitors, families, schools and children. The Gallery Shop sells work from around 250 makers and craftspeople from across the UK.

The Portland Collection Gallery shows fine and decorative arts from the Portland Collection.

The Harley Foundation receives an annual income from the investment of the gifts made by the late Duchess of Portland in 1978 and from the late Lady Anne Bentinck in 2010. In addition the Foundation raises income from studio licence fees, grant funding for particular projects and via it's trading subsidiary from the Harley Gallery shop, events and café.

ACTIVITIES REPORT

Activities

Our mission to create spaces where creativity can flourish remained in place, as did our commitment to engaging with as broad a range of visitors as possible. Both of our gallery spaces remain free admission and we welcomed 86,000 visitors in the year.

Portland Collection

The new display in the Portland Collection Museum opened on 25 March 2023. It received 40,000 visitors during the year. Three different visitor trails have been developed by independent curators Karen Hearn and Hannah Obee. Monthly museum talks were fully sold out throughout the year.

Harley Gallery

March — June	Harvest Fruit: Neil Wilkin and Rachel Woodman, handblown glass Interrupted Views: Jennie Moncur, woven tapestry. The displays coincided with the launch of 'Unseen Treasures' and generated over £35k sales for the three exhibiting artists.
July — September	Sculpture by Nicole Farhi Ceramics by Lucille Lewin Farhi and Lewin were highly successful fashion designers who went on to develop new careers working with clay.
October — January	John Burningham Childrens Book Illustration The exhibition was curated in-house and looked at Burningham's work from the 1960s to the time of his recent death.
January — March	Work Life: Life's Work. Artists in the Harley Studios

Sales in the gallery and museum shops totalled £268k.

Grants

We received the following grants during the year:

- £10,000 from the Skylarks Endowment Fund to use in schools and community groups that support those with disabilities.
- £12,750 per annum over 15 years from the John Hemingway Trust to develop a community education programme.
- £21,000 from Inspire, N.C.C. to subsidise a programme of adult and family learning in the Harley Pottery Studio and Education Studio.

Public Benefit

Both the Harley Gallery and the Portland Collection museum are open 6 days a week and are free admission.

The Harley Pottery Studio ran classes for students of all ages and abilities. We have continued to work in partnership with Nottinghamshire MIND to offer short courses to their service users.

Artist Studios

The Harley Foundation offers 22 artist studios at subsidised costs to practicing artists. The studios were full throughout the year.

Occupants:

Restoration

The Glass Repository

Goetze Gwynn – Organ Restoration Ross Alcock – Clock Restorer

Freeman & Young Conservation – Painting Conservation Fiona Hutchinson – Ceramic Restoration

Geoff Tinniswood – Keyboard Restoration

Claire Ridley – Picture Frame Conservator

Visual Arts

Michelle Reader – Sculptor Phil Neal – Sculptor

Steve Handley – Sculptor

Louise Presley – Textile Artist

Rebecca Smith – Digital artist

Emma Thorpe - Photographer

Georgina Rixon – Dancer and owner of Detail Dance Studio

Craft and Design

Laura Baxter – Jeweller

Hope and Elvis – Textile workshop studio

Janie Withers – Textile Design

Ruth Waller and Lee Hewitt – Textile Designers Richard Hartley – Guitar maker

Rachel Wood – Potter Kyra Cane – Potter

Simon Mount – Furniture Maker

Education

A full programme of school workshops was offered throughout the year.

The grant from N.C.C. helped fund the Harley Pottery Studio which ran courses for a range of users of different abilities.

The Portland Collection commissioned three different gallery trails which are offered to visitors free of charge.

Monthly gallery talks were programmed and were sold out.

Lift Off! Is a framework for teaching art to children and is offered as a free download from our website.

TRUSTEES' REPORT

The Trustees present their report and audited consolidated financial statements for the year ended 31 March 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Trust Deed, the Charities Act 2011 and the Charities SORP (FRS 102).

Structure, Governance and Management

The full name of the unincorporated charity is 'The Harley Foundation' ("Foundation"). The Foundation is governed by a Trust Deed dated 11 September 1978 and various supplemental deeds. The Foundation's registered office address and current Trustees are listed on page 3.

The Foundation has a wholly-owned subsidiary, Harley Gallery Trading Limited, a private company limited by share capital, company number 08083700. The subsidiary carries on trading activities under the direction of the Trustees and senior management. The Foundation and its subsidiary together are referred to as "the Group".

Recruitment and Appointment of Trustees

Trustees are appointed by unanimous formal resolution of the Board of Trustees. The Trustees have the power to add, amend, replace or revoke all or any of the powers conferred on them by the Trust Deeds provided that no exercise of that power shall affect the objects of the Foundation.

Trustee Induction and Training

Potential Trustees meet with the Director and Chair of Trustees for a discussion about the work of the Harley Foundation and the interaction between staff and Trustees. They are invited to join us for a full Trustee Meeting and to meet with other Trustees. Once Trustees have joined, they are given a full information pack with information about current work projects, the mission statement and future plans. They then spend time with gallery staff, key stakeholders and partners. All new Trustees are given appropriate Charity Commission documents relating to good practice for Charity Trustees.

Risk Management

The Trustees have examined the major risks to which the Foundation is exposed. Financial sustainability is the major financial risk for both the Foundation and its subsidiary. A key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due. In particular, the Foundation's investments are monitored to ensure sufficient funds are generated to provide working capital for the Foundation and its subsidiary company. There are also non-financial risks arising from health and safety of staff, clients and visitors to the gallery. Procedures are in place to manage these risks, and these procedures are periodically reviewed to ensure that they continue to meet the requirements of the Foundation.

Curatorial Advisory Group

The Curatorial Advisory Group considers the display of works from the Portland Collection in the Foundation's galleries. The terms of reference of the group are to offer advice and oversight of proposed exhibitions of the Portland Collection, to propose likely academic links and partnerships and to advise on best practice with regard to interpretation and display matters. Members to the Group are appointed for a 3-year term which may be extended. The Curatorial Advisory Group is made up of leading art historians and curators and the members of the group are listed on page 3.

Objectives and Activities

The Foundation's objects as set out in the Trust Deeds are:

- The advancement of public education particularly in arts and crafts and the improvement of public taste therein;
- The promotion and assistance in the promotion of training, apprenticeship, instruction and education of persons in the United Kingdom in the practice and performance of arts and crafts;
- Such other charitable objects for the advancement of education as the Trustees not being less than three in number shall from time to time by deeds or deeds executed with their unanimous consent declare.

The Foundation's principal activities in pursuance of its objectives are:

- The maintenance of the Harley Gallery as a premier location in Nottinghamshire for the promotion of exhibitions of art and craft, and as a venue for the holding of courses for school children and adult learners;
- The maintenance of the Portland Collection gallery for the display of historic fine and decorative arts from the Portland Collection. The displays are semi-permanent and change every 33 months;
- The provision of subsidised workshops for craftspeople to encourage training and preservation of art and craft skills. The Foundation gives encouragement to artists to display and sell their work at the Gallery and elsewhere;
- The grant of sponsorship and bursaries in support of the educational role of the Foundation, and;
- The Foundation aims to attract at least 90,000 visitors per annum to the Harley Gallery and maximise the occupancy of its craft workshop, as well as maximising the opportunities it can offer to support and promote arts and crafts.

Information on the Foundation's activities during the year is given on pages 5 to 6.

Public Benefit Statement

The Trustees, having regard to the Public Benefit guidance published by the Charity Commission in accordance with section 17 of the Charities Act 2011, consider that the purpose and activities of the charity satisfy the requirements of the public benefit test set out in section 4 of the same Act.

Reserves Policy

The Trustees, having reviewed the future commitments of the Foundation, are of the opinion that the funds and investments held at the year end are necessary to produce income and gains to supplement that generated from its charitable activities in order to maintain the normal operations of the Foundation, to cover ongoing costs of maintaining and operating the gallery and workshops, and to continue the educational activities of the Foundation.

The Trustees are confident that the Foundation has the financial resources to continue to further its charitable objectives outlined above.

Financial Review

A summary of the Group's results for the year are as set out in the Statement of Financial Activities on page 14. 100% (2023: 100%) of the Group's expenditure related to its key charitable objectives.

The Group's total outgoing resources this year were £1,313,182 (2023: £1,487,367) which has been funded through income generated from the Group's charitable activities of £390,538 (2023: £372,745), investment income of £451,612 (2023: £394,779), donations of £191,250 (2023: £nil) and income from other trading activities of £94,631 (2023: £93,187) leaving a deficit for the year of £185,151 (2023: £626,656 deficit). There were also net gains arising on the Foundation's fixed and current asset investments in the year amounting to £1,581,345 (2023: net loss of £41,674), resulting in total unrestricted funds carried forward of £25,825,436 (2023: £24,429,242).

Principal Funding Sources

The principal sources of funding for the Foundation are income and gains generated by its investments, supplemented by income generated by Harley Gallery Trading Limited, grants from third parties and license fees paid by the occupants of the craft workshops.

Investment Policy

The Trustees have adopted a balanced investment approach with the view of achieving a long term total return through a mixture of property and equity investments. Details of the Foundation's investments in agricultural land and equities held at 31 March 2024 are set out in note 7 of the financial statements.

The investment objective is to maximise its total return from a diversified portfolio, mainly of equities, spread across global markets principally through securities and shares in collective schemes but also through money market instruments, deposits and cash or near cash investments. No emphasis is placed on any particular economic, industrial or geographical sector. The funds have a focus on total return rather than high yield and the Trustees plan to sell units to provide funds to subsidise the Foundation's charitable activities.

The Foundation's tradeable investments showed a revaluation gain of £1,457,941 (2023: loss of £471,016).

The value of the Foundation's agricultural land increased in the year by £120,000 (2023: £420,000 increase). Overall, the value of the Group's investments increased by 8% (2023: 7% increase).

Senior management

Matters of strategy are agreed by the Trustees whilst day to day management including decisions involving the execution of strategy are delegated to the senior management. The pay of key management personnel is reviewed annually. The review considers pay in the sector, the general economic environment and personal performance.

Responsibilities of the Trustees

The Trustees are responsible for preparing the Report of the Management Committee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deeds. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each Trustee is aware, there is no relevant information that has not been disclosed to the Foundation's auditors and each Trustee believes that all steps necessary have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Foundation's auditors have been made aware of that information.

This report has been prepared in accordance with the Charities SORP (FRS 102).

Approved by the Board of Trustees on 29 January 2025 and signed on its behalf by:

D M A Parente
Trustee

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of The Harley Foundation (the 'charity') and its subsidiary (together referred to as the 'group') for the year ended 31 March 2024, which comprise the consolidated statement of financial activities, statement of financial activities, consolidated balance sheet, balance sheet, consolidated statement of cash flows and notes to the financial statements, including a summary of 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 group's and the charity's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other matter—consolidated comparative figures

The consolidated comparative figures, that is for the year to and as at 31 March 2023, are unaudited. This is because the charity was not required to prepare consolidated accounts for that period.

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 trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 or in 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:

We gained an understanding of the legal and regulatory framework applicable to the charity by considering, among other things, the sector in which it operates and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to UK Charity Law, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and reviewing correspondence with the Charity Commission.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 charity's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any one other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Dixon Wilson Audit Services LLP, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

Date: 30 January 2025

Dixon Wilson Audit Services LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	£	Funds 2024 £	£	Funds 2023 £
Income					
Donations and legacies	2	191,250		-	
Investment income	2	451,612		394,779	
Charitable activities income					
- Galleries	3	329,237		311,341	
- Craft workshops	3	61,301		61,404	
Other trading activities	2	94,631		93,187	
			1,128,031		860,711
Expenditure					
Raising funds					
- Investment management fees		-		2,449	
Charitable activities					
- Galleries	3	1,253,001		1,427,238	
- Craft workshops	3	60,181		57,680	
Total expenditure			(1,313,182)		(1,487,367)
Net gains/(losses) on investments			1,581,345		(41,674)
Net income and net movement in funds			1,396,194		(668,330)
Reconciliation of funds					
Total funds brought forward	13		24,429,242		25,097,572
Total funds carried forward	13		25,825,436		24,429,242

STATEMENT OF FINANCIAL ACTIVITIES

	Notes	£	Funds 2024 £	£	Funds 2023 £
Income					
Donations and legacies	2	261,891		42,349	
Investment income	2	451,612		394,779	
Charitable activities					
- Galleries	3	55,873		60,494	
- Craft workshops	3	61,301		61,403	
Total income			830,677		559,025
Expenditure					
Raising funds					
- Investment management fees		-		2,449	
Charitable activities					
- Galleries	3	972,397		1,151,796	
- Craft workshops	3	60,181		57,680	
Total expenditure			(1,032,578)		(1,211,925)
Net gains on investments			1,581,345		28,426
Net income and net movement in funds			1,379,444		(624,474)
Reconciliation of funds					
Total funds brought forward	13		24,405,329		25,029,803
Total funds carried forward	13		25,784,773		24,405,329

CONSOLIDATED BALANCE SHEET

	Notes	2024	2023
		£	£
Fixed Assets			
Tangible fixed assets	6	6,053,649	6,279,070
Investments	7	18,942,476	17,661,130
		<hr/>	<hr/>
Total fixed assets		24,996,125	23,940,200
Current assets			
Debtors	8	458,462	207,164
Current asset investments	9	70,650	70,650
Stock		142,435	129,646
Cash at bank and in hand		325,407	258,649
		<hr/>	<hr/>
Total current assets		996,954	666,109
Creditors: Amounts falling due within one year	10	<hr/> (167,643) <hr/>	<hr/> (177,067) <hr/>
Net current assets		<hr/> 829,311 <hr/>	<hr/> 489,042 <hr/>
Total assets less current liabilities and net assets		<hr/> 25,825,436 <hr/>	<hr/> 24,429,242 <hr/>
Funds of the charity			
Total funds	13	<hr/> 25,825,436 <hr/>	<hr/> 24,429,242 <hr/>

Approved by the Board of Trustees on 29 January 2025 and signed on its behalf by:

D M A Parente
Trustee

The notes on pages 18 to 32 form part of these financial statements.

BALANCE SHEET

	Notes	£	2024 £	£	2023 £
Fixed Assets					
Tangible fixed assets	6	5,934,376		6,148,953	
Investments	7	19,142,576		17,861,230	
Total fixed assets			25,076,952		24,010,183
Current assets					
Debtors	8	451,550		236,810	
Current asset investments	9	70,650		70,650	
Cash at bank and in hand		313,511		239,395	
Total current assets		835,711		546,855	
Creditors: Amounts falling due within one year					
	10	(127,890)		(151,709)	
Net current assets			707,821		395,146
Total assets less current liabilities and net assets			25,784,773		24,405,329
Funds of the charity					
Total funds	13		25,784,773		24,405,329

Approved by the Board of Trustees on 29 January 2025 and signed on its behalf by:

D M A Parente
Trustee

The notes on pages 18 to 32 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	£	2024 £	£	2023 £
Cash flows from operations					
Net movement in funds	13	1,396,194		(668,330)	
Less: Investment income	2	(451,612)		(394,779)	
Less: Net (gains)/losses on investments		(1,581,345)		41,674	
(Increase)/decrease in debtors	8	(236,228)		27,321	
Decrease in creditors	10	(9,424)		(116,425)	
(Increase)/decrease in stock		(12,789)		(14,716)	
Depreciation	3	225,421		228,416	
Net cash used in operations			<u>(669,783)</u>		<u>(896,839)</u>
Cash flows from investing activities					
Investment income		436,541		378,654	
Proceeds from sale of investments		300,000		-	
Purchase of investments	7	-		(1,275,000)	
Purchase of fixed assets	6	-		(807)	
Net cash generated from investing activities			<u>736,541</u>		<u>(897,153)</u>
Net movement in cash			66,758		(1,793,992)
Cash at the beginning of the year			<u>258,649</u>		<u>2,052,641</u>
Cash at the end of the year			<u>325,407</u>		<u>258,649</u>

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with applicable accounting standards 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 (Charities SORP (FRS 102)) (effective 1 January 2019). The financial statements have been rounded to the nearest £.

1.2 Basis of consolidation

The consolidated financial statements consolidate the financial statements of the charity and its subsidiary undertaking drawn up to 31 March 2024. No Cash Flow Statement is presented for the Charity, and Key Management Personnel compensation is only disclosed once, as permitted by FRS 102.

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

Inter-entity transactions, balances and unrealised gains on transactions between the charity and its subsidiary, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

1.3 Fund structure

The Foundation was created by the Most Noble Ivy Duchess of Portland by Trust Deed dated 26 January 1978 as a single charitable fund with the Trustees having the power to hold the capital and income of the trust fund in trust to apply the same as they shall at their absolute discretion think fit.

By Deeds of Variation of the Will of Lady Anne Bentinck dated 27 November 2010 and 26 December 2010, various paintings and works of art were bequeathed to the Foundation to hold as part of the single charitable fund on the terms set out above.

Restricted funds are created by grants which must be used for specific purposes, and the expenditure towards those purposes is allocated to the relevant restricted fund.

1.4 Incoming resources/resources expended

Income and expenditure is recognised on an accruals basis. The following specific policies are applied to particular categories of:

Income

- Dividend income is recognised when the security is quoted ex-dividend.
- Incoming resources from charitable trading activities are accounted for when earned, rental income is accounted for in the period to which it relates .
- Grants and donations are recognised once the charity is entitled to receive them, as evidenced by a formal offer of funding communicated in writing, and there is sufficient evidence that any attached conditions will be met.

Expenditure

- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource.

1.5 Tangible fixed assets

Equipment purchased for use in the craft workshops and gallery office equipment is capitalised and depreciated by equal instalments over a five year term. Solar panels held by the subsidiary company are being depreciated by equal instalments over a 20 year term.

The Portland Collection building is depreciated by equal instalments over a 50 year period, while the fixtures and fittings are depreciated in equal instalments over a 20 year period. The Harley Gallery and the craft workshops have been fully depreciated.

Capital expenditure incurred on improving leasehold property is capitalised and included as fixed assets. It is then depreciated by equal instalments over the length of the lease.

Exhibits purchased for the Harley Gallery are charged in the year they are purchased as a direct cost in accordance with the accounting practice adopted by Museums.

1.6 Fixed assets investment and investment income

The Foundation's freehold interests in farm land and buildings are included as investment properties. These properties are revalued annually and are included in the Balance Sheet at their open market value (fair value) in accordance with FRS 102.

Investments listed on a recognised Stock Exchange and other ready realisable investments are valued at their mid-market price prevailing at the Balance Sheet date. Profits or losses on sales of investments and net gains on revaluation of investments are credited to the Statement of Financial Activities.

Investments in subsidiaries are included at cost less provision for impairment.

1.7 Current asset investments

Current asset investments are held at the Trustees' best estimate of market value. Realised and unrealised gains and losses are included in the Statement of Financial Activities.

1.7 Taxation

As a charity, The Harley Foundation is exempt from tax on income and gains falling within part 10 of the Income Tax Act 2007 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Foundation.

The subsidiary, Harley Gallery Trading Limited, makes donations of its profits to the Foundation and those donations extinguish the subsidiary's liability to corporation tax.

1.8 Key sources of estimation uncertainty

The valuation of investment property is a source of estimation uncertainty, as it is subjective and liable to change due to demand and market conditions. The carrying amount is detailed in note 7.

2 Income analysis

Group	2024		2023	
	£	£	£	£
Donations and legacies				
Grant from The John Hemingway Charitable Trust	191,250		-	
	<hr/>	191,250	<hr/>	-
Investment income				
Income from tradeable investments	356,098		303,698	
Rent receivable	95,514		91,081	
	<hr/>	451,612	<hr/>	394,779
Other trading activities				
Licence fee from café	53,615		45,072	
Sales of electricity	41,016		48,115	
	<hr/>	94,631	<hr/>	93,187
		<hr/>		<hr/>
		737,493		487,966

Charity	2024		2023	
	£	£	£	£
Donations and legacies				
Grant from The John Hemingway Charitable Trust	191,250		-	
Donation from Harley Gallery Trading Limited	70,641		42,349	
	<hr/>	261,891	<hr/>	42,349
Investment income				
Income from tradeable investments	356,098		303,698	
Rent receivable	95,514		91,081	
	<hr/>	451,612	<hr/>	394,779
		<hr/>		<hr/>
		713,503		437,128

3 Analysis of Charitable income and expenditure

Group	Galleries £	Craft workshops £	Total £
Year ended 31 March 2024			
Income			
Sales and charges	295,470	61,301	356,771
Grants and donations	33,767	-	33,767
	<hr/>	<hr/>	<hr/>
	329,237	61,301	390,538
Expenditure			
Direct costs	(187,864)	-	(187,864)
Staff costs	(360,389)	(51,500)	(411,889)
Premises costs	(305,303)	(8,231)	(313,534)
Depreciation	(225,421)	-	(225,421)
Other costs	(174,024)	(450)	(174,474)
	<hr/>	<hr/>	<hr/>
	(1,253,001)	(60,181)	(1,313,182)
<hr/>			
Net (deficit)/surplus for the year	<hr/>	<hr/>	<hr/>
	(923,764)	1,120	(922,644)
<hr/>			
Year ended 31 March 2023			
Income			
Sales and charges	280,555	61,404	341,959
Grants and donations	30,786	-	30,786
	<hr/>	<hr/>	<hr/>
	311,341	61,404	372,745
Expenditure			
Direct costs	(266,732)	-	(266,732)
Staff costs	(331,441)	(49,449)	(380,890)
Premises costs	(372,589)	(8,231)	(380,820)
Depreciation	(228,416)	-	(228,416)
Other costs	(228,060)	-	(228,060)
	<hr/>	<hr/>	<hr/>
	(1,427,238)	(57,680)	(1,484,918)
<hr/>			
Net (deficit)/surplus for the year	<hr/>	<hr/>	<hr/>
	(1,115,897)	3,724	(1,112,173)
<hr/>			

3 Analysis of Charitable income and expenditure (continued)

Charity	Galleries £	Craft workshops £	Total £
Year ended 31 March 2024			
Income			
Sales and charges	22,106	61,301	83,407
Grants and donations	33,767	-	33,767
	<hr/> 55,873	<hr/> 61,301	<hr/> 117,174
Expenditure			
Direct costs	(52,228)	-	(52,228)
Staff costs	(312,929)	(51,500)	(364,429)
Premises costs	(263,333)	(8,231)	(271,564)
Depreciation	(214,578)	-	(214,578)
Other costs	(129,329)	(450)	(129,779)
	<hr/> (972,397)	<hr/> (60,181)	<hr/> (1,032,578)
Net (deficit)/surplus for the year			
	<hr/> (916,524)	<hr/> 1,120	<hr/> (915,404)
Year ended 31 March 2023			
Income			
Sales and charges	29,708	61,403	91,111
Grants and donations	30,786	-	30,786
	<hr/> 60,494	<hr/> 61,403	<hr/> 121,897
Expenditure			
Direct costs	(146,563)	-	(146,563)
Staff costs	(294,207)	(49,449)	(343,656)
Premises costs	(323,375)	(8,231)	(331,606)
Depreciation	(214,874)	-	(214,874)
Other costs	(172,777)	-	(172,777)
	<hr/> (1,151,796)	<hr/> (57,680)	<hr/> (1,209,476)
Net (deficit)/surplus for the year			
	<hr/> (1,091,302)	<hr/> 3,723	<hr/> (1,087,579)

4 Support and governance costs

	2024 £	2023 £
Fees payable for the audit of the charity's financial statements	8,000	6,750
Fees payable to the auditor for other services (group)	13,194	10,124
Fees payable to the auditor for other services (charity only)	10,644	6,054

The above costs are the only support and governance costs incurred during the year. The costs have been allocated to the galleries' activity as the amount allocated to any other activities would be immaterial.

5 Staff costs

	2024 Number	Group 2023 Number	2024 Number	Charity 2023 Number
Full time	3	4	2	3
Part time	21	19	18	16
	<u>24</u>	<u>23</u>	<u>20</u>	<u>19</u>
	2024	2023	2024	2023
Staff costs (for the above persons):	£	£	£	£
Wages and salaries	353,429	327,619	313,094	297,878
Social security costs	28,301	28,273	26,125	25,690
Pension costs	10,102	14,571	9,135	13,921
Staff allowances	10,982	10,427	7,001	6,167
	<u>402,814</u>	<u>380,890</u>	<u>355,355</u>	<u>343,656</u>

During the year, one employee (2023: one) received emoluments of between £80,000 and £90,000 and the Foundation made pension contributions of £8,619 (2023: £8,020) in respect of this employee.

The Foundation paid management fees to The Welbeck Estates Company Limited as detailed in note 11.

Key management personnel includes the director of the Foundation. The total emoluments of key management personnel was £84,039 (2023: £80,180).

6 Tangible fixed assets

Group	Leasehold Property £	Workshops & galleries £	Equipment £	Plant and machinery £	Total £
Cost					
At 1 April 2023	68,601	10,603,199	222,885	314,300	11,208,985
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	<hr/> 68,601	<hr/> 10,603,199	<hr/> 222,885	<hr/> 314,300	<hr/> 11,208,985
Depreciation					
At 1 April 2023	9,498	4,554,264	206,799	159,354	4,929,915
Charge for the year	1,055	192,756	6,880	24,730	225,421
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	<hr/> 10,553	<hr/> 4,747,020	<hr/> 213,679	<hr/> 184,084	<hr/> 5,155,336
Net book value					
At 31 March 2024	<hr/> 58,048	<hr/> 5,856,179	<hr/> 9,206	<hr/> 130,216	<hr/> 6,053,649
At 31 March 2023	<hr/> 59,103	<hr/> 6,048,935	<hr/> 16,086	<hr/> 154,946	<hr/> 6,279,070

6 Tangible fixed assets (continued)

Charity	Leasehold Property £	Workshops & galleries £	Equipment £	Plant and machinery £	Total £
Cost					
At 1 April 2023	68,601	10,603,199	171,497	75,756	10,919,053
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	68,601	10,603,199	171,497	75,756	10,919,053
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 April 2023	9,498	4,554,264	155,412	50,926	4,770,100
Charge for the year	1,055	192,756	6,880	13,886	214,577
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2024	10,553	4,747,020	162,292	64,812	4,984,677
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 March 2024	58,048	5,856,179	9,205	10,944	5,934,376
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	59,103	6,048,935	16,085	24,830	6,148,953
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7 Fixed asset investments

Group	2024 £	2023 £
Freehold investment properties	4,895,000	4,775,000
Tradeable investments	14,047,476	12,886,130
	<hr/>	<hr/>
	18,942,476	17,661,130
	<hr/>	<hr/>

Freehold investment properties

Market value at 1 April 2023	4,775,000	4,355,000
Revaluation gain in the year	120,000	420,000
	<hr/>	<hr/>
Market value at 31 March 2024	4,895,000	4,775,000
	<hr/>	<hr/>
Historical cost at 31 March 2024 and 1 April 2023	784,131	784,131
	<hr/>	<hr/>

The investment properties were valued by the trustees in consultation with an external real estate services provider.

	2024 £	2023 £
Tradeable investments		
Market value at 1 April 2023	12,886,130	12,072,407
Additions	10,218	1,284,739
Disposals	(306,813)	-
Revaluation gain/(loss) in the year	1,457,941	(471,016)
	<hr/>	<hr/>
Market value at 31 March 2024	14,047,476	12,886,130
	<hr/>	<hr/>
Historical cost at 31 March 2024	12,433,389	12,729,984
	<hr/>	<hr/>

The Group's tradeable investments comprises a holding of 511,471 (2023: 510,971) units in COIF Charities Investment Fund Income Units and 830,286 (2023: 912,976) shares in The Ord Fund ICVC.

7 Fixed asset investments (continued)

Charity	2024 £	2023 £
Freehold investment properties	4,895,000	4,775,000
Tradeable investments	14,047,476	12,886,130
Investment in subsidiary	200,100	200,100
	<u>19,142,576</u>	<u>17,861,230</u>
Freehold investment properties		
Market value at 1 April 2023	4,775,000	4,355,000
Revaluation gain in the year	<u>120,000</u>	<u>420,000</u>
Market value at 31 March 2024	<u>4,895,000</u>	<u>4,775,000</u>
Historical cost at 31 March 2024 and 1 April 2023	<u>784,131</u>	<u>784,131</u>

The investment properties were valued by the trustees in consultation with an external real estate services provider.

	2024 £	2023 £
Tradeable investments		
Market value at 1 April 2023	12,886,130	12,072,407
Additions	10,218	1,284,739
Disposals	(306,813)	-
Revaluation gain/(loss) in the year	<u>1,457,941</u>	<u>(471,016)</u>
Market value at 31 March 2024	<u>14,047,476</u>	<u>12,886,130</u>
Historical cost at 31 March 2024	<u>12,433,389</u>	<u>12,729,984</u>

The Foundation's tradeable investments comprises a holding of 511,471 (2023: 510,971) units in COIF Charities Investment Fund Income Units and 830,286 (2023: 912,976) shares in The Ord Fund ICVC.

Investment in subsidiary		
Carrying value at 1 April 2023	200,100	130,000
Reversal of Impairment	<u>-</u>	<u>70,100</u>
Carrying value at 31 March 2024	<u>200,100</u>	<u>200,100</u>

7 Fixed asset investments (continued)

Charity (continued)

Results of subsidiary undertakings

The Harley Foundation's investment in subsidiary consists of a 100% shareholding in Harley Gallery Trading Limited (Company No. 08083700). The results of Harley Gallery Trading Limited are summarised below:

	2024 £	2023 £
Summary of income and expenditure:		
Income	386,052	359,357
Expenditure	<u>(298,662)</u>	<u>(290,766)</u>
Profit	<u>87,390</u>	<u>68,591</u>
	2024 £	2023 £
Summary of assets and liabilities:		
Assets	314,299	318,199
Liabilities	<u>(73,540)</u>	<u>(94,189)</u>
Capital and reserves	<u>240,759</u>	<u>224,010</u>

The Foundation is also 100% shareholder of Harley Gallery Nominees Limited (Company No. 13172644) a company which has no financial transactions and holds the legal title of property as nominee for the Foundation.

8. Debtors

	2024 £	Group 2023 £	2024 £	Charity 2023 £
Trade debtors	39,416	50,721	9,845	18,593
Other debtors	-	-	33,788	68,830
Prepayments and accrued income	419,046	156,443	407,917	149,387
	<u>458,462</u>	<u>207,164</u>	<u>451,550</u>	<u>236,810</u>

9. Current asset investments

	2024 £	Group 2023 £	2024 £	Charity 2023 £
Works of art				
Market value at 1 April 2023	<u>70,650</u>	<u>70,650</u>	<u>70,650</u>	<u>70,650</u>
Market value at 31 March 2024	<u>70,650</u>	<u>70,650</u>	<u>70,650</u>	<u>70,650</u>

10. Creditors

	2024 £	Group 2023 £	2024 £	Charity 2023 £
Trade creditors	14,307	54,552	15,081	47,578
The Welbeck Estates Company Limited	67,658	29,117	66,822	28,367
Other creditors	<u>85,678</u>	<u>93,398</u>	<u>45,987</u>	<u>75,764</u>
	<u>167,643</u>	<u>177,067</u>	<u>127,890</u>	<u>151,709</u>

11 Trustee remuneration and related party transactions

Group

No Trustee received any remuneration or reimbursement for expenses in the period (2023: £nil).

Two of the Trustees are directors of The Welbeck Estates Company Limited ("the company"). During the period, the group was charged £19,808 (2023: £19,805) in rent and £65,532 (2023: £95,682) in management charges and insurance costs. These transactions were carried out on an arms-length basis. The company also paid expenditure on behalf of the group. The balance outstanding at the period end is shown in note 10.

Charity

No Trustee received any remuneration or reimbursement for expenses in the period (2023: £nil).

Two of the Trustees are directors of The Welbeck Estates Company Limited ("the company"). During the period, the Foundation was charged £19,808 (2023: £19,805) in rent and £55,502 (2023: £85,652) in management charges and insurance costs. These transactions were carried out on an arms-length basis. The company also paid expenditure on behalf of the Foundation. The balance outstanding at the period end is shown in note 10.

The Harley Foundation owns 100% of the share capital of Harley Gallery Trading Limited ("the company"). During the period, the company paid rent of £18,058 (2023: £15,322) to the Foundation. The Foundation advanced loans to and paid expenses on behalf of the company of £222,055 (2023: £226,040). The Foundation received funds on behalf of and repayments from the company of £257,099 (2023: £231,901). The company also made a donation to the Foundation of £70,641 (2023: £42,349). At the balance sheet date the amount due from the company was £33,787 (2023: £68,831).

12 Financial instruments

Group	2024 £	2023 £
Financial assets that are tradeable investments measured at fair value through profit or loss	14,047,476	12,886,130
Financial assets that are debt instruments at amortised cost	364,822	309,370
Financial liabilities that are debt instruments measured at amortised cost	(161,029)	(170,839)
	<u>14,251,269</u>	<u>13,024,661</u>
Charity	2024 £	2023 £
Financial assets that are tradeable investments measured at fair value through profit or loss	14,047,476	12,886,130
Financial assets that are debt instruments at amortised cost	357,144	326,820
Financial assets that are equity instruments measured at cost less impairment	200,100	200,100
Financial liabilities that are debt instruments measured at amortised cost	(117,276)	(145,478)
	<u>14,487,444</u>	<u>13,267,572</u>

13 Fund movements

Group	Brought Forward £	Income £	Expenditure £	Gains and losses £	Carried forward £
Fund					
Restricted funds	-	10,000	(10,000)	-	-
Unrestricted funds	24,429,242	1,118,031	(1,303,182)	1,581,345	25,825,436
	<u>24,429,242</u>	<u>1,118,031</u>	<u>(1,303,182)</u>	<u>1,581,345</u>	<u>25,825,436</u>
Total funds	<u>24,429,242</u>	<u>1,128,031</u>	<u>(1,313,182)</u>	<u>1,581,345</u>	<u>25,825,436</u>
Charity					
	Brought Forward £	Income £	Expenditure £	Gains and losses £	Carried forward £
Fund					
Restricted funds	-	10,000	(10,000)	-	-
Unrestricted funds	24,405,329	820,677	(1,022,578)	1,581,345	25,784,773
	<u>24,405,329</u>	<u>820,677</u>	<u>(1,022,578)</u>	<u>1,581,345</u>	<u>25,784,773</u>
Total funds	<u>24,405,329</u>	<u>830,677</u>	<u>(1,032,578)</u>	<u>1,581,345</u>	<u>25,784,773</u>