

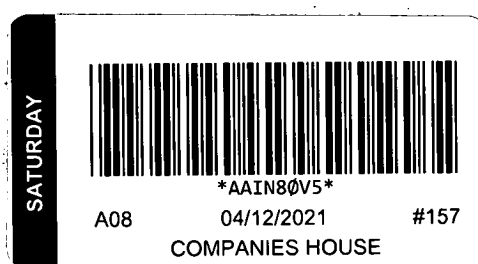
CHATSWORTH HOUSE TRUST

Annual report and consolidated financial statements

for the year ended 31 March 2021

Registered Charity Number 511149

Registered Company Number 01541046



CHATSWORTH HOUSE TRUST

Annual report and financial statements

For the year ended 31 March 2021

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CHATSWORTH HOUSE TRUST

Legal and administration details for the year ended 31 March 2021

Charity number

511149

Company number

01541046

Trustees/Directors (Council of Management)

Lord Burlington (appointed 17 June 2020) - Chairman

The Duke of Devonshire

The Hon. Mrs L Chetwode

Mr H M Wyndham

Mr E R H Perks

Mr M W Fane

Mrs N S Grose (appointed 1 September 2021)

Secretary

Mr A C Lavery

Key Management Personnel

Chief Executive Officer for Chatsworth House Trust and Chief Financial Officer for the Devonshire Group –

Mr A C Lavery

Chief Executive Officer, Devonshire Group – Mr S G Vickers

Chief Operating Officer – Mr E A D Cadogan

Registered office

The Estate Office

Edensor

Bakewell

Derbyshire

DE45 1PJ

Independent Auditors

Shorts Chartered Accountants

2 Ashgate Road

Chesterfield

S40 4AA

Solicitors

Currey & Co LLP

33 Queen Anne Street

London

W1G 9HY

Bankers

The Royal Bank of Scotland plc

The Square

Bakewell

DE45 1BT

Investment advisors

Smith & Williamson Investment Management Limited

25 Moorgate

London

EC2R 6AY

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021

The members of the Council of Management (who are also the Directors of the Company for the purposes of company law) are pleased to present their annual directors' report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2021, which are also prepared to meet the requirement for a directors' report and accounts for Companies Act purposes.

The information with respect to the Council of Management, officers and advisors set out on page 1 forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Chatsworth House Trust is a company limited by guarantee incorporated in the United Kingdom, number 01541046, on the 23rd January 1981 and governed by its Memorandum and Articles of Association. It is also a registered charity, number 511149. The liability of each member in the event of winding up is limited to £5,000.

The charity is governed by the Council of Management (hereafter referred to as the Council): Council members are directors of the company and charity trustees for the purposes of the Companies Act and the Charities Act respectively.

Group Structure

Chatsworth House Trust has two subsidiaries, the Chatsworth Estates Company and Chatsworth House Enterprises Limited. The charity and its subsidiaries are separate from but have an association with the Chatsworth Settlement. The Devonshire Group is a collective term for the activities of the various entities operating or associated with the Duke of Devonshire and includes Chatsworth House Trust and the Chatsworth Settlement as well as any companies owned and operated by the Chatsworth Settlement. The Devonshire Group is not a legal entity.

Members of the Council of Management

The following served as members of the Council during the year and up to the date of signing the financial statements.

- * Lord Burlington (appointed 17 June 2020) - Chairman
- * The 12th Duke of Devonshire
- * The Duchess of Devonshire (resigned 17 June 2020)
 - The Hon. Mrs L Chetwode
 - Mr H M Wyndham
 - Mr J G E Monson (resigned 20 October 2021)
 - Mr E R H Perks
 - Mr J D S Booth (resigned 23 April 2021)
 - Mr M W Farie
 - Mrs N S Grose (appointed 1 September 2021)
- * These members of the Council are also members of the company.

Under the articles of association of the company, the number of the members of the Council shall not be less than 5 and no more than 8.

Appointment of Members

The power to appoint new members of the Council of Management is vested in the Council.

In appointing new Council members, the Council makes reference to the Charity Commission's guidelines and ensures the appropriate mix of skills, knowledge and experience exists to make sure the charity is well governed and is run effectively and efficiently in a manner appropriate to its size and complexity. The skills of Council members together with their ability to devote the necessary time and energy to the charity are regularly reviewed.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Appointment of Members (continued)

Membership of the Council is determined with a view to ensuring responsible oversight of the purposes of Chatsworth House Trust.

New Member Induction and Training

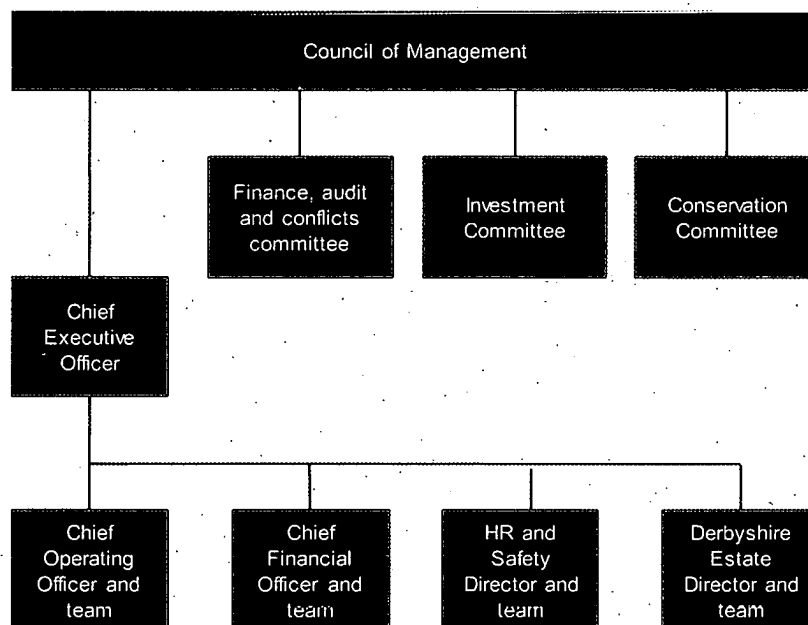
New members undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other Council members. Members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Public benefit

In reviewing our aims and objectives, and planning future activities, the Trustees have taken into account the Charity Commission's general guidance on public benefit. The Trustees always ensure that the activities undertaken are in line with the charitable objectives of Chatsworth House Trust.

Organisational structure and decision making

The Council meets formally twice a year to review the charity's operation and performance, receive reports as required and approve budgets and other matters. The Council has created sub-committees as set out below to oversee, monitor and report back to the full Council on specific aspects of the charity's activities and governance and to facilitate effective operations. The Council has delegated authority for day to day operational matters, including finance, estate management, employment and health and safety to a senior management team who are jointly employed by the company and the Trustees of the Chatsworth Settlement.



Mr Monson, Mr Perks and Mr Fane are members of the Finance, Audit and Conflicts Committee and members of the Investment Committee. Mr Monson remains a co-opted member of the Committee following his resignation from the Council. These committees meet formally twice per year. Mr Vickers, Mr Cadogan and Mr Lavery are in attendance for the meetings of each of these committees.

Lord Burlington, The Hon. Mrs L Chetwode, and Mr Wyndham are members of the Conservation Committee. The committee meets formally once per year. Mr Lavery and Mr Cadogan and members of their team responsible for the preservation and restoration of the art collection are in attendance at this committee.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Organisational structure and decision making (continued)

Council receives regular reports from and reviews the work of the Chief Executive and his team who manage the charity's activities and make such recommendations as they feel appropriate.

OBJECTIVES AND ACTIVITIES

Objectives

The primary objectives and aims of the charity, as stated in its governing document, are to:

- Preserve for public benefit the mansion house known as Chatsworth House in Derbyshire, together with its ancillary buildings, gardens, arboreta, woodlands, and park; or such part or parts thereof as shall from time to time be held by the charity, and to promote for the public benefit the study and appreciation of Chatsworth as a place of historic and architectural interest and natural beauty.
- Preserve for the public benefit such pictures, statues, furniture, books and other chattels being of historic or artistic interest such as the charity considers it appropriate to acquire, and to keep at Chatsworth and to promote for the public benefit the study and appreciation of the charity's works of art as features of historic or artistic interest.
- Advance the education of the public in the arts and sciences.
- Provide at Chatsworth, in the interests of social welfare, facilities for physical recreation (including sports).
- Facilitate and encourage the use, occupation and enjoyment of the whole or any part of Chatsworth and the charity's works of art for such other exclusively charitable purposes as the charity from time to time considers appropriate.

Strategies and activities for achieving objectives and providing a public benefit

The charity holds a lease of Chatsworth House and its essential contents, with approximately 1,822 acres of land including the garden, park and woodland surrounding the House. The Council has considered and taken into account the Charity Commission's guidance on public benefit and fee charging when reviewing the charity's activities and setting objectives for the year.

The Council has implemented the following activities to help achieve the charity's objectives:

Preservation of the house, gardens and park

Reflecting over 500 years of activity and endeavour, Chatsworth comprises a Grade I listed house and stables, a 105-acre garden and a 1,822-acre 'Capability' Brown landscaped park, and houses one of Europe's most significant art collections. Respecting this legacy, the Council aims to continue supporting Chatsworth's evolution and, in particular, programmes which refurbish, update and improve both the fabric of Chatsworth and its appeal to a diversity of visitors.

The house and gardens at Chatsworth are open to the public every day from mid-March until early January, and much of the park and Stand Wood are open every day of the year. The charity generates income from its operations and investments which is used for the preservation and restoration of Chatsworth House and its contents, the garden and the parkland and for the purchase of works of art.

The house set within its landscape is the most admired feature of Chatsworth. Many thousands of people drive and walk through Chatsworth just to appreciate the view of the house in the landscape and to enjoy the parkland. The charity's long running Masterplan restoration programme has included extensive works to clean and restore the external façade of the building and the bastion wall, substantially improving its overall appearance.

The charity allows free public access to its parkland which provides picnic facilities and magnificent vistas on the banks of the River Derwent. In recent years, the charity has embarked on a Park Management Plan in

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Preservation of the house, gardens and park (continued)

which improvements are made to restore the landscape, views and vistas in the park including tree planting, repairing walls, footpaths and river bank maintenance. Its recently opened Game Larder Interpretation Centre is open to visitors free of charge all year round. In 2019, the charity opened its car parks free of charge during the closed season for members of the public to be able to access the park.

The Devonshire Collections and Creative Programme

Access to The Devonshire Collections is positively encouraged and we seek to maximise opportunities for all to engage with and enjoy the collection. A large portion of the collection is on public display in the house and gardens throughout the year. The charity regularly holds events and exhibitions open to the general public displaying works of art, sculpture, archives, library and other historic artefacts. Members of Chatsworth's Collections Team undertake numerous talks, research visits, welcome visitors and enquiries, facilitating access to elements of the collection not on public display.

The overall theme of this year was of course the global pandemic, and the team adapted their working practices accordingly. Conservation was undertaken on areas we would have been using for visitors - one such example being conservation of the Chinese wallpaper in Scot's Dressing Room. Our Textiles Team continued conserving the curtains in the Library and this large scale project will be completed in 2022. Our Conservation Assistants continued to deliver a programme of preventive conservation, a vital element of the team's work that ventures out into the garden with regular cleaning of our modern and contemporary sculptures. The route was adapted to be Covid-safe which included designing secondary handrails, cleaning stations and removing touchpoints and collection objects along the route. Courier trips and remote-location installs became virtual where they could and other loans were re-arranged. During furlough we maintained a standing team to monitor and ensure collection safety and took the majority of our creative and research outcomes online.

During 2020/21 loans from the Devonshire Collections travelled far and wide, although to a reduced programme due to the pandemic. Our largest loan was over 60 Old Master Drawings, through our partnerships with Museums Sheffield and The Lightbox in Woking, to present a major touring exhibition of Chatsworth's Old Master Drawings. A major loan in this year was the Devonshire Hunting Tapestries from the Victoria and Albert Museum. This pair of extremely delicate tapestries measuring 11 by 4 metres date from the 1400's and will be with us until January 2022. The transport and installation of these amazing works, which have delighted visitors to the Sculpture Gallery, required the design of several new handling and installation techniques and are requiring constant close monitoring. Previously at Hardwick and at Chatsworth they now are in the care of the Victoria and Albert Museum who are refurbishing the gallery they are usually displayed in.

Our main season exhibition at Chatsworth for 2020 was Life Stories which was also disrupted by the pandemic. Re-worked for a Covid-route many of the key moments and loans remained however, giving previously unexplored access to stories from the collection. The reduced display has been enjoyed by those visitors who were able to come through the house. The subject matter proved extremely popular with visitors as well as online audiences, with online engagement levels in particular far higher than the previous year, a trend we intend to grow. Our festive offering for 2020 sadly never opened although all of the team's hard work was not wasted as it was documented by Channel 4 to great effect and many of the hand-made elements will be re-used in 2021 displays.

Learning at Chatsworth

In the financial year 2020/21, with the onset of the pandemic, the learning team had to quickly adapt the planned onsite learning programme for delivery online - writing and illustrating resources to support cross-curricular learning and creative play at home.

In 2020, we prioritised resource and content creation. This was shared with parents and teachers via the Chatsworth website or by direct distribution to schools. Lockdown brought forward the completion of one of the objectives identified in our new education strategy: to develop and publish a suite of learning resources.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Learning at Chatsworth (continued)

In total there were 9,985 downloads from the website and 4,431 film views on Facebook and @ChatsworthArt Instagram account.

The following learning projects and initiatives were delivered:

- Culture Comforts: in a collaboration with the collection team, the Devonshire Educational Trust produced a series of short films. Colleagues filmed themselves talking about their favourite pieces, for our audiences to enjoy from the comfort of their own homes.
- The learning team also produced film content for children's activities and for school projects.
- Art, nature and wellbeing: For older and isolated residents of local villages, the Devonshire Educational Trust designed and delivered community packs of wellbeing activities focused on art and nature.
- Chatsworth Christmas Kits: At Christmas, the team produced Christmas wellbeing kits which were sent to schools and care homes, reaching 1,142 pupils and 270 care home residents. For schools this included a 'how to make a bauble' tutorial and some recycling and natural world themed learning resources. Kits for care homes featured memory and dexterity-based activities for carers or family members to do with residents.
- Arts Council England funded a project delivered with the artist Michael Landy. The project reached over 300 students from a range of secondary schools in Sheffield and Chesterfield.

For many years the delivery of learning and engagement has been facilitated by the Devonshire Educational Trust, a related charity. The Devonshire Educational Trust's charitable objectives are widely drawn however its focus is that the charity is "committed to making a positive difference to people's lives by inspiring a love and understanding of art, heritage and the environment". This focus is perfectly aligned with the Chatsworth House Trust's own objectives in the advancement of education. The trustees of both charities have agreed that the objectives of both charities will be more effectively delivered by combining the Devonshire Educational Trust's activities becoming those of the Chatsworth House Trust. On 1 September 2021, the Devonshire Educational Trust vested its assets, liabilities and operations into Chatsworth House Trust with the creation of the new "Learning and Engagement" department.

Facilities for recreation, the support of other charitable activities and social welfare

Each year in the Park, the charity hosts a programme of popular events including the Chatsworth Country Fair, Chatsworth International Horse Trials and the Royal Horticultural Society Chatsworth Flower Show. These events are usually attended by over 130,000 people. This year, due to the COVID-19 pandemic all events were cancelled.

Chatsworth offers Associate Friends memberships to third sector organisations and local public sector bodies and/or their social clubs, in 2020/21 we had 34 memberships. The membership provides access for up to 6 members of their staff per day and includes entry to Chatsworth House, the Garden and the Farmyard. The membership period was extended to 18 months to cover any disruption due to the COVID-19 pandemic. A fee is charged which represents a substantial discount to normal rates.

Each year, Chatsworth donates free family admission tickets to a large number of charity or social welfare organisations in the local area.

Statement of Council Members' responsibilities in respect of the councils' annual report and the financial statements

The Council Members are responsible for preparing the Report of Council Management, incorporating the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council Members to prepare financial statements for each financial year. Under that law they are required to prepare the group and charitable company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Under company law the Council Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 group and charitable company will continue in business.

Qualifying indemnity provision

The Council Members and Trustees have been granted a qualifying indemnity provision under Section 234 of the Companies Act 2006. This indemnity does not provide cover in the event of a director acting fraudulently or dishonestly.

Disclosure of information to the auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Shorts, have indicated their willingness to continue office. The designated Trustees will propose a motion of reappointing the auditors at the meeting of the Trustees.

STRATEGIC REPORT

The Council Members are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council Members are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Achievements and Performance

The Council considers that the charity's principal objectives of maintaining and preserving Chatsworth and opening the property to the public are being achieved.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Factors relevant to achieving objectives

The key performance indicators which the Council use to monitor whether the charity is achieving these objectives are:

- Visitor numbers and trends
- Completion of essential restoration and preservation work to the house and gardens
- Financial performance against income and expenditure targets

Visitor Numbers

The number of visitors to Chatsworth for the year ended to 31 March 2021 compared with 4 prior periods was as follows:

	2021	2020	2019	2018	2017
Visitor Numbers	304,001	580,528	614,679	642,817	624,075

Visitor numbers shown are visitors to the House, the Garden and/or the Farmyard and include visits by holders of Estate Passes (members of staff, pensioners and some tenants) and Friends of Chatsworth. Visitors to the park only and to events taking place in the park are not included in the above figures.

The fall in visitor numbers results from the forced closure and restrictions placed during the Covid-19 pandemic.

For the year ended 31 March 2022, visitor numbers are expected to improve to c. 549,000. Once the government restrictions were lifted, we saw a strong uptake in visitors over the first six months of the year, in part due to an increase in staycations. However, the charity has chosen to continue to operate under restricted capacity throughout the Christmas period, to manage the volume of visitors in the house, meaning that we're not expecting to see visitor numbers fully recover until 2022/23.

Special events and activities

The annual events that the charity organises and hosts, such as the Horse Trials, Country and Christmas Fairs, the series of concerts and the bonfire night were cancelled due to the Covid-19 pandemic.

The charity acquired works of art during the year to the value of £11,000 (2020: £474,000) to enhance the collection held.

Restoration and preservation work

The Master Plan was a major project of essential restoration and development intended to safeguard Chatsworth's heritage and continue its history which lasted from 2007 to 2019 at a cost of £33.4m. Since completing the Master Plan in 2019, the charity has embarked on the review of other structures in the Garden and Park with a view to setting priorities for future restoration projects. This has included surveys of the Stables; the Cascade; the conservatories including Paxton's conservatory; the Elizabethan Wall; the Aqueduct; Paine's Mill; Queen Mary's Bower and Paine's bridge in the Park.

Our next significant priority for the moment is to obtain planning permission for a substantial renovation of the Cascade. Once planning permission is obtained, it will involve a significant fundraising effort to enable the works to take place.

Financial review

The Statement of Financial Activities is set out in detail on page 17. It shows that overall the charity had net resources expended of £2,635,000 for the year incurred from its activities as compared to £856,000 net incoming resources in 2020. Of this, net resources expended of £2,923,000 were taken from the General Fund, £134,000 received in the Art Purchases Fund, £154,000 received in the Restricted Funds and no movement in the Donated Asset Reserve.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Financial review (continued)

Incoming resources

The charity had four principal sources of income in 2020/21:

The first, which represents the majority of income, is income generated from charitable activities. This is predominantly income from admissions to the house and gardens during its open season from mid-March to early January each year. The admissions income accounted for 56% (2019/20: 65%) of the charity's total incoming resources in 2020/21.

The second main income stream is grants income which this year amounted to £1,055,000 (2019/20: £75,000). Of this income, £865,000 was received from the Government to support the charity through the COVID-19 pandemic.

The third revenue stream is dividends, interest and rental income from its investments. See the investment objective and performance section below for more detail.

The fourth main income stream is donations which this year amounted to £404,000 (2019/20: £436,000)

Resources expended

The charity's income has been applied in pursuance of its charitable purposes. The largest proportion of expenditure is on the costs of operating the house, admissions, general upkeep of the house and stables, and the maintenance of the garden park and woods; this accounted for 102% (2019/20: 101%) of total resources expended.

The charity recovered a prior year debtor that had been written off in full, leaving a net credit balance of £184,000 (2019/20: £172,000 credit) for the essential preservation and maintenance of the house and grounds including its Master Plan project.

Investment powers, policy and performance

Under its Memorandum of Association the charity has power to invest its funds in such investments, securities or property as the charity thinks fit.

Aside from its directly held and managed investment properties, the Council had delegated management of its investment securities to Smith & Williamson Investment Management Limited who managed its portfolio on a discretionary basis, paying due consideration to the suitability of investments selected and their appropriate diversification.

The Council have set an investment objective of generating total returns against a composite benchmark as further described below.

Performance review:

The General Fund received investment income of £231,000 (2019/20: £322,000) from its portfolio and £96,000 (2019/20: £160,000) from its property investments. In addition, the fund incurred realised and unrealised gains of £1,700,000 (2019/20: £1,073,000 loss) during the year from its investment portfolio.

The Art Purchases Fund received investment income of £212,000 (2019/20: £305,000) from its investment portfolio. In addition, the fund incurred realised and unrealised gains of £1,593,000 (2019/20: £987,000 loss).

During 2014, the investment committee altered the investment portfolio to allocate a specific proportion of the total portfolio to overseas markets in order to increase diversification in both the General and Art Purchases funds. At the same time the benchmarks against which performance is measured were also altered to reflect the new asset allocation policy. The benchmark in use, which reflects the target asset allocation, is a composite benchmark consisting of 20% FTSE Government Gilts 0-5 years Total Return, 40% FTSE All Share Total Return and 40% FTSE All World (£) Total Return.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Financial review (continued)

Performance in the period against the benchmarks in place during the period is as follows:

	Year ended 31 March			
	2021 Actual	2021 Benchmark	2020 Actual	2020 Benchmark
General Fund	+19.1%	+24.9%	-7.0%	-10.1%
Art Purchases Fund	+21.1%	+24.9%	-7.8%	-10.1%

In the first quarter of 2020, markets were reacting to the unfolding global Covid pandemic falling significantly between December 2019 and March 2020. During that quarter, the General fund and APF fell by 15.1% and 15.6% respectively compared with the benchmark fall of 16.4%.

In the year to March 2021, markets have staged a significant recovery – the General Fund and the APF both benefitting from this and returning 19.1% and 21.1% compared with the benchmark of 24.9%.

Both portfolios have been run in a similar fashion over recent years. The General fund's performance is more muted as the trustees have requested that the investment manager hold more cash in reserve while we navigate the Covid pandemic.

The investment committee review performance with the investment manager regularly. Over the period the investment committee is satisfied with the performance of the portfolio, having due regard to its defensive positioning and the uncertainties in the current market.

During the year, the investment committee engaged with an external advisor to help it review the investment portfolios, the objectives, the mandates given to managers and the manager's performance. As a result of that review, Sarasin was appointed as investment manager to the charity and all investment assets were moved to Sarasin in June and July of 2021.

Overall result

After accounting for realised and unrealised losses on investments and on the pension scheme obligations, the total decrease in funds was £3,036,000 compared to the £123,000 decrease in 2019/20. Of this decrease, £4,763,000 (2019/20: £619,000 increase) related to the General Fund, £1,727,000 increase (2019/20: £727,000 decrease) to the designated Art Purchases Fund, £nil (2019/20: £15,000 decrease) to the Restricted Funds and £nil (2019/20: £nil) to the Donated Asset Reserve.

Reserves policy

It is the policy of the Council to hold and maintain sufficient reserves at Chatsworth, to cover:

- Sustained periods of bad weather or emergencies that might affect visitor numbers (e.g. foot and mouth outbreak, pandemic etc);
- Obligations under the charity's lease;
- Pension obligations to former employees;
- Commitment to maintain a living collection of art;
- An ongoing liability for repairs and maintenance.

Due to the uncertainty over the nature and magnitude of the future commitments of the charity, during 2014 the Council of Management supported the creation of a fund raising office in order to actively solicit donations and sponsorship in support of the charity's objectives and meet its financial commitments.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Financial review (continued)

The charity had total reserves at the year-end of £22,391,000 (2019/20: £25,427,000). These include unrestricted income funds (The General Fund and Art Purchases Fund) of £21,617,000 (2019/20: £24,653,000). The Council also monitors its "Free Reserves" position. Free reserves as at 31 March 2021 amounted to: £459,000 (2019/20: £3,594,000). Free reserves comprise assets that are available for expenditure in furtherance of the overall objects of the charity and the figure therefore excludes the Art Purchase Fund and other unrestricted funds which are tied up in tangible fixed assets and heritage assets. The objective of the Art Purchase Fund is to generate £250,000 of income per annum to acquire art.

The Council of Management is satisfied that the charity's assets are available and adequate to fulfil its obligations.

Employees

As stated in note 27 to the accounts, staff are jointly employed by the charitable company and the Trustees of the Chatsworth Settlement. During the year the average number of staff involved was 127 (2019/20: 165). There were five staff members earning more than £60,000 per year (2019/20: five) which is more fully disclosed in note 12 "Analysis of staff costs". Pension contributions for these staff members amounted to £44,737 (2019/20: £55,530).

The charity's policy for setting remuneration for executives and staff is to pay fair market rates given the nature and extent of responsibilities of the relevant staff members. Remuneration is reviewed annually and pay awards are agreed by the Senior Executive Team. Benchmarking surveys are undertaken periodically.

The charity's policies for recruitment, training, career development and promotion of employees are based on the role and capability of the individual and give those who are disabled equal treatment with the able bodied. In addition, the charity does not discriminate against employees or potential employees on the basis of race, colour, nationality, ethnic or national origin, religion, political beliefs, sex or marital status. Where appropriate, employees disabled after joining the charity are given suitable training for continuing employment with the charity or elsewhere.

Plans for the Future

The Council will continue to maintain and preserve Chatsworth for the benefit of the public. Enhancing and extending the visitor experience will remain central to protecting the financial health of the organisation and thus enable it to deal with the challenges and potential risks ahead. The Council will be considering ambitious plans to extend Chatsworth's renovation programme which include the stables and the gardens as well as enhancements to the overall visitor experience.

Risk Management

The Council of Management has reviewed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and the protection of Chatsworth House against major damage or loss to its structure or fabric.

The Council desires to achieve and maintain appropriate corporate governance and, acknowledging its ultimate responsibility for the operation of the charity and safeguarding the assets in its ownership, has appointed senior management (as detailed above) to manage the systems that are in place to identify and mitigate the exposure to the major strategic, business and operational risks.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2021 (continued)

Financial review (continued)

UK economic downturn

A downturn in the UK economy represents a risk to the charity. The charity is reliant on visitors continuing to visit Chatsworth to deliver its performance, and spend on leisure activities is considered discretionary. The Council and management regularly review the charity's operations with a critical eye to ensure they remain fresh and are meeting the needs and wants of a wide variety of visitors throughout the year. This includes putting on events such as the Chatsworth Country Fair, the Christmas Markets and the RHS Chatsworth Flower Show. The Council's reserves policy is also designed to protect the charity from the impact of an economic downturn.

Financial Risk

The charity is also exposed to price risk, liquidity risk and credit risk in the securities held in its investment portfolios. The Council has appointed qualified investment managers to manage the investment portfolios. These investment managers are subject to the oversight of the Investment Committee which meets the investment managers twice per year to review performance.

Liquidity

The charity is exposed to liquidity risk, in particular where long term commitments are funded by operating surpluses which may be vulnerable to short term trading downturns. The management of liquidity is the responsibility of the CFO and overseen by the Finance, Audit & Conflicts Committee and ultimately the Council. The Council takes a cautious approach to liquidity risk and the charity's reserves policy and the investments held in the general fund are important tools in managing this risk.

Charitable Donations

The charity has close links with the Devonshire Educational Trust. During the year £50,657 (2019/20: £47,149) was donated to the Devonshire Educational Trust. The Devonshire Educational Trust was considered to be a related party but as from September 2021, the Devonshire Educational Trust will become the charity's Learning and Education department.

Fundraising Practices

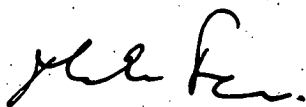
In the financial year the charity did not actively fundraise from the public or undertake similar fundraising activities in its own right or via a trading subsidiary or third party.

The charity carries out all fundraising and development activities on its own account by an internal team and without use of any outside parties. Activities of those engaged in fundraising and development are closely monitored by the management team to ensure that such activities are carried out with the highest possible standards. Activities of this nature fall within the oversight of the Finance, Audit and Conflicts Committee of the Council of Management.

Going Concern

The Council of Management are confident that the Group and charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The Council is approving both the Annual Report and the Strategic Report in their capacity as company directors and as trustees.



M Fane
Member of the Council of Management
Registered Company No: 01541046

29/11/21

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST

Opinion

We have audited the financial statements of Chatsworth House Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the charity balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 March 2021 and of the group's 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 and 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, 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 Trustees' 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 group's or the parent charitable company'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 information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon.

The Trustees 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST (Continued)

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; 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, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST (Continued)

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company'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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 section 151 of the Charities Act 2011 and report in accordance with those Acts 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 Auditors' 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:

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

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- through discussions with the directors and other management and from our commercial knowledge and experience of the sectors that the group operates in, we identified the laws and regulations applicable to the group; and
- focusing on the specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, we assessed the extent of compliance with those laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the group'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 controls 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, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- considered journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST (Continued)

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 those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- considering relationships with HMRC and other relevant regulators and the group's legal advisors.

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 directors 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 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 Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Howard Freeman

Howard Freeman BSc FCA (Senior Statutory Auditor)
for and on behalf of Shorts, Statutory Auditor
Chartered Accountants
2 Ashgate Road
Chesterfield
S40 4AA

2 December 2021

CHATSWORTH HOUSE TRUST

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 31 March 2021

	Notes	General Fund (unrestricted) £000	Art Purchases Fund (unrestricted) £000	Donated Asset Reserve (unrestricted) £000	Other Restricted Funds (restricted) £000	Total Funds 2021 £000	Total Funds 2020 £000
Income from:							
Charitable activities	3	4,068	-	-	-	4,068	9,430
Trading activities	4	2,000	-	-	190	2,190	3,897
Investment income	5	327	212	-	-	539	793
Donations and legacies	6	404	-	-	-	404	437
Total		6,799	212	-	190	7,201	14,557
Expenditure on:							
Raising funds	7	432	44	-	-	476	1,932
Charitable activities	8	9,474	34	-	36	9,544	11,941
Preservation and maintenance		(184)	-	-	-	(184)	(172)
Total		9,722	78	-	36	9,836	13,701
Net (expenditure)/income for the year		(2,923)	134	-	154	(2,635)	856
Net gains/(losses) on investments		1,700	1,593	-	-	3,293	(2,060)
Net income/(deficit) for the year		(1,223)	1,727	-	154	658	(1,204)
Movement between funds		154	-	-	(154)	-	-
Other recognised gains and losses							
Actuarial (loss)/gain on pension scheme	26	(3,694)	-	-	-	(3,694)	1,362
Loss on investment properties		-	-	-	-	-	(281)
Net movement of funds		(4,763)	1,727	-	-	(3,036)	(123)
Total funds brought forward		7,204	17,449	765	9	25,427	25,550
Total funds carried forward		2,441	19,176	765	9	22,391	25,427

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

All income and expenditure derive from continuing activities.

The comparative figures for 2019/20 are shown in note 2.

CHATSWORTH HOUSE TRUST

Consolidated and Charity Balance Sheets as at 31 March 2021

	Notes	Group		Charity	
		2021	2020	2021	2020
		£000	£000	£000	£000
Fixed assets					
Fixed assets	13	1,926	2,484	1,794	2,344
Heritage assets	14	10,100	10,089	10,100	10,089
Investment properties	15	2,680	2,680	2,680	2,680
Investments	16	22,289	19,357	22,289	19,357
Total Fixed Assets		36,995	34,610	36,863	34,470
Current assets					
Stocks	17	69	67	69	67
Debtors	18	1,573	2,468	1,311	1,992
Cash at bank and in hand		399	1,116	362	945
Total Current Assets		2,041	3,651	1,742	3,004
Creditors (Amounts falling due within one year)	19	(4,654)	(4,561)	(4,223)	(3,774)
Net current liabilities		(2,613)	(910)	(2,481)	(770)
Net assets excluding pension liability		34,382	33,700	34,382	33,700
Defined benefit pension scheme liability	26	(11,991)	(8,273)	(11,991)	(8,273)
Net assets		22,391	25,427	22,391	25,427
The funds of the charity:					
Unrestricted income funds:					
General Fund	22	2,441	7,204	2,441	7,204
Art Purchases Fund	23	19,176	17,449	19,176	17,449
Donated Asset Reserve	24	9	9	9	9
Endowment Fund	25	765	765	765	765
		22,391	25,427	22,391	25,427

The financial statements on pages 17 to 41 were approved by the Council on 29/11/2021 and were signed on its behalf by



M Fane
Member of the Council of Management
Registered Company No: 01541046

CHATSWORTH HOUSE TRUST

Consolidated Statement of Cash Flows for the year ended 31 March 2021

	<i>Notes</i>	2021 <i>£000</i>	2020 <i>£000</i>
Cash flows from operating activities:			
Net movement of funds		(3,036)	(123)
(Gains)/losses on investments		(3,293)	2,060
Actuarial loss/(gain) on pension scheme		3,694	(1,362)
Gains on investment properties		-	281
Pension service and interest		315	372
Unfunded pension scheme non-cash movement		(291)	(301)
Profit on disposal of assets		512	30
Depreciation charges		372	396
Investment income		(539)	(793)
(Increase)/decrease in stocks		(2)	5
Decrease/(increase) in debtors		895	(880)
Increase in creditors		93	964
Net cash flow (used in)/generated from operating activities		(1,280)	649
Cash flows from investing activities:			
Income from investments		539	793
Proceeds from the sale of property, plant and equipment		2	4
Purchase of property, equipment and heritage assets		(339)	(797)
Purchase of investments		(2,643)	(5,355)
Proceeds from sale of investments		2,532	4,095
Net cash generated from/(used in) investing activities		91	(1,260)
Change in cash and cash equivalents		(1,189)	(611)
Cash and cash equivalents at the beginning of the period		2,815	3,426
Cash and cash equivalents at the end of the period	31	1,626	2,815

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2021

Basis of Accounting

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and investment properties, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), Charities Act 2011 and the Companies Act 2006.

Chatsworth House Trust meets the definition of a public benefit entity under FRS 102.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going concern

The financial statements have been prepared on a going concern basis which the Council of Management consider to be appropriate for the following reasons.

The Council of Management have considered the likely outcome for the 2021/22 year and also the likely outcome for the 2022/23 year including in each case an estimate of the cash flow impacts. These indicate that, taking into account reasonably possible downsides and the anticipated continued impact of COVID-19 on the operations and its financial resources, the Group and charity will have sufficient funds to meet its liabilities as they fall due for that period.

- Covid – 19 will remain with us more or less in the situation that we are in today.
 - The UK's vaccination programme will continue with boosters being offered to certain categories. This will enable most activities in the UK to be reasonably normal.
 - Outdoor events can continue to go ahead – for Chatsworth the more significant events are the Chatsworth International Horse Trials, the Chatsworth Country Fair and the Christmas Markets
 - Some degree of social distancing will remain. The House itself will continue to operate with restricted capacity. The outdoor activities will operate as normal.
 - Foreign travel will continue to be an issue. The impact of this is likely to be positive as it has been in 2020.
- A pay review will take place in March 2022 as normal for both living wage (now known to be 6.6%) and the general pay award
- A continued caution on ongoing revenue and capital spend – although we continue to spend on compliance, security and general repair and maintenance and also meet any existing commitments.
- We do not assume any government support.
- In the event of the Government implementing a Plan B, we have considered the impact on our current way of working to be minimal.

The charity has also considered the impact of further lockdowns similar to those that were experienced in 2020 as a downside case to its scenario planning.

The charity is in the process of putting in place a £1.5m overdraft facility which will be a standby facility it does not expect to draw. In addition, the charity's investment portfolios stand at £23.8 million which can be liquidated if needed, but this is considered unlikely.

Consequently, the Council of Management are confident that the Group and charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2021 (continued)

Group financial statements

The financial statements consolidate the results of the charity and of its wholly owned subsidiary, Chatsworth House Enterprises Limited, registered number 09037793, on a line by line basis. The charity has claimed the exemption under section 405(2) of the Companies Act 2006 and has not consolidated its subsidiary undertaking, The Chatsworth Estates Company, in these financial statements as the directors consider that the amounts involved are not material for the purposes of giving and true and fair view. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Revenue Recognition

Grants receivable comprise amounts receivable during the year. Capital grants are recognised in full in the year of receipt, as required by the Charity Commission.

Income from UK equity investments is accounted for when it falls due; income from fixed interest securities and foreign investments is accounted for when it is received.

Other revenue is recognised on an accruals basis and represents net amounts, invoiced to third parties, excluding value added tax.

Donations and Gifts

Grants and donations comprise the fair value of amounts receivable during the year. Rent costs of staff and pensioner housing are donated from the Chatsworth Settlement.

Allocation of Costs

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category:

- Raising funds comprises of costs relating to the operation of major events and fees associated with the investment portfolio.
- Charitable activities are the costs incurred in opening the house, garden and farmyard to the public.
- Preservation and maintenance costs are the costs directly attributable to maintaining and preserving the house and its associated land.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Tangible Fixed Assets

All tangible fixed assets are for the charity's use and are stated at cost to the charity, or where gifted at probate value, less accumulated depreciation in accordance with the policies noted below.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation of equipment and vehicles is calculated on the straight line basis at annual rates estimated to write off assets over expected useful lives varying from three to ten years with the exception of turbines and boilers which are given an expected life of fifteen years. The minimum level at which assets are capitalised is £1,000.

The house and leasehold property are maintained in such a condition that the fabric and ambience of the house and park are not impaired by the passage of time. Expenditure on maintaining the house and park is written off as incurred. Additions to leasehold property are capitalised and written off over their expected useful lives, or the period of the lease if shorter. The expenditure on the stables restaurant, bar and meeting room is being written off over twenty-five years, and expenditure on the farmyard buildings and adventure playground over ten years. Other buildings are written off over twenty-five years.

Growing timber is not valued in the accounts as the timber will revert to the Chatsworth Settlement at the end of the lease

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2021 (continued)

Heritage Assets

In its own right the charity owns a collection of paintings, ceramics and sculptures previously identified as Arts & Treasures. These items are included in the accounts at their historical cost and are not depreciated as they are deemed to have indefinite lives. The assets held are reviewed for impairment at the reporting end date. To date, no impairments have occurred of capitalised items. Revaluations are not performed as the Council of Management does not consider that reliable information can be obtained due to the diverse nature of the assets and the lack of comparable market values. At the balance sheet date the book value of these items was £10,100,000 (2019/20: £10,089,000), of which £765,000 (2019/20: £765,000) was held in restricted funds.

The charity also owns historical archives that have been donated to it. The archives are held at £nil value on the basis that they are rarely used for public display and that it would be extremely difficult to place a meaningful value upon them.

In addition to the above there are items not belonging to the charity but displayed in areas open to the public within Chatsworth House and Gardens. These items are included in the lease assigned to the company on 10 April 1981 (see note 27) and represent the essential contents of Chatsworth House. The company does not therefore recognise these assets on its Balance Sheet. Under the terms of the lease and subject to the agreement of the Council of Management, chattels can be removed from public display if they are replaced by an item or items that are deemed to be of equal value, public interest or heritage importance.

Investments

Investments are stated in the balance sheet at mid-market value and include cash balances held by the investment managers. Unrealised losses and gains on investments are shown in the Statement of Financial Activities.

The fair value has been estimated using the following fair value hierarchy:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly
- Level 3: Inputs are observable (i.e. for which market data is unavailable) for the asset or liability

Investments denominated in foreign currencies are converted into sterling at the exchange rate prevailing at the year end.

Investment Properties

Investment properties are stated at fair value. A full formal revaluation is carried out every five years by an independent valuer. The Swan Inn was formally revalued by Strutt & Parker during 2019/20 and this value has been reflected in the accounts. The valuation is reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

The property valuations are assessed annually by the Council of Management and reviewed internally by the Estates Director (see note 15) based on recent property sales in the area.

The aggregate surplus or deficit is shown in the Statement of Financial Activities under other recognised gain and losses. No depreciation or amortisation is provided in respect of freehold investment property.

Foreign Exchange

Foreign currency transactions during the year have been translated at rates approximating to the rates prevailing at the date of the transaction. Foreign currency current assets and liabilities are translated to sterling at the rates of exchange prevailing at the end of the financial year. Any exchange profits or losses are credited or charged to net income in the year in which they arise.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. The cost of stock is determined on a FIFO basis. 100% provision at cost has been made for items over 1 year old.

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2021 (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity's funds

The General Fund is an unrestricted fund which is available for the use at the discretion of the Council in furtherance of the general objectives of the charity and which has not been designated for other purposes.

The Art Purchase Fund is an unrestricted fund that has been set aside by the Council for the purposes set out in note 23.

The Restricted Funds are used for the purpose of grant funded activities where there is a specific purpose for the grant.

The Donated Asset Reserve has been created to account for a specific donation.

Investment income, gains and losses are allocated to the appropriate fund.

Pension Liabilities

There has been a liability to provide pensions since 12 April 1981, for eligible employees of the Chatsworth Settlement jointly employed by the charity. This liability remains unfunded, and is met as it falls due. The unfunded scheme has been closed to new entrants and a new money purchase pension scheme has been established for employees joining on or after 1 September 1999.

The liability in respect of the unfunded pension scheme has been recognised on the balance sheet.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised at their fair value.

Judgements applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management has noted the following areas of significant judgement and key estimates:

Pension Scheme

The carrying value of the liability in respect of the Chatsworth Estate Pension Scheme relies on judgment of the future inflation, mortality rates and the discount rate to be applied. Any changes in these assumptions which are disclosed in note 26 will impact the carrying value of the pension liability. In addition, the last actuarial valuation of the pension scheme liability was performed as at 31 March 2016. The carrying value of the liability as at 31 March 2021 is derived from a roll-forward approach. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying value of the liability.

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2021 (continued)

Tangible fixed assets – art

As explained in the accounting policies, revaluations are not performed of the charity's heritage property owing to the lack of comparable market values.

Tangible fixed assets – property

The charity's property investment is valued on an open market value by a firm of Chartered Surveyors. By its nature this is a matter of judgement and an actual sale of the property could realise more or less than the carrying value in the charity's accounts.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

1 Legal status of the charity

The charity is a charitable company limited by guarantee and has no share capital. Each member has undertaken to contribute to the assets of the charity, in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member, an amount not exceeding £5,000. At 31 March 2021 there were four (2020: four) members.

2 Comparative Statement of Financial Activities

The following shows the comparative consolidated Statement of Financial Activities for the period ended 31 March 2020, analysed between the General Fund, the Art Purchases Fund, the Restricted Funds and the Donated Asset Reserve.

	General Fund (unrestricted) £000	Art Purchases Fund (unrestricted) £000	Donated Asset Reserve £000	Other Restricted Funds (restricted) £000	Total Funds 2020 £000
Income from:					
Charitable Activities	9,430	-	-	-	9,430
Trading activities	3,822	-	-	75	3,897
Donations & Legacies	437	-	-	-	437
Investment income	488	305	-	-	793
Total	14,177	305	-	75	14,557
Expenditure on:					
Raising funds	1,887	45	-	-	1,932
Charitable activities	11,851	-	-	90	11,941
Preservation and Maintenance	(172)	-	-	-	(172)
Total	13,566	45	-	90	13,701
Net (expenditure)/income for the year	611	260	-	(15)	856
Net gains on investments	(1,073)	(987)	-	-	(2,060)
Net (deficit)/income for the year	(462)	(727)	-	(15)	(1,204)
Other recognised gains					
Actuarial (loss)/gain on pension scheme	1,362	-	-	-	1,362
(Loss)/gain on investment properties	(281)	-	-	-	(281)
Net movement of funds	619	(727)	-	(15)	(123)
Total funds brought forward	6,585	18,176	765	24	25,550
Total funds carried forward	7,204	17,449	765	9	25,427

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

3 Income from charitable activities

	2021 £000	2020 £000
Amounts receivable from admissions	4,068	9,430

Income received from admissions was unrestricted (2019/20: unrestricted).

4 Income from other trading activities

	2021 £000	2020 £000
Income from park events	226	2,197
Rental income (see note 27)	279	744
Other income	1,685	956
	<u>2,190</u>	<u>3,897</u>

The income from trading activities was £2,190,000 (2019/20: £3,897,000) of which £2,000,000 was unrestricted and £190,000 was restricted (2019/20: unrestricted £3,822,000 and £75,000 restricted).

Rental income is receivable from the Trustees of the Chatsworth Settlement which operates catering and retail outlets at Chatsworth. Income is based on the annual turnover of these outlets.

The wholly owned trading subsidiary Chatsworth House Enterprises Limited (company number 9037793) pays all of its profits to the charity under the gift aid scheme. Chatsworth House Enterprises has been formed for the purpose of putting on events in the garden and domain and for other general trading purposes and has been in operation since 1 January 2015. The charity charges facility fees for the use of the House, Gardens and Park.

A summary of the trading results of Chatsworth House Enterprises Limited is shown below.

	2021 £000	2020 £000
Turnover	724	2,806
Cost of sales	9	(1,825)
Facility fee	(379)	(379)
Administration costs and interest payable	(11)	(15)
Net profit	<u>343</u>	<u>587</u>
Amount gift aided to the charity	<u>(343)</u>	<u>(587)</u>
Retained in subsidiary	<u>-</u>	<u>-</u>

The assets and liabilities of the subsidiary were:

Fixed assets	132	140
Current assets	496	978
Current liabilities	<u>(628)</u>	<u>(1,118)</u>
Total net assets	<u>-</u>	<u>-</u>

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021

5 Investment income

	General Fund	Art Purchases Fund	2021	2020
	£000	£000	£000	£000
Income from quoted investments				
UK Fixed interest stocks	9	8	17	29
UK Equities	198	186	384	547
Overseas stocks	23	18	41	41
Interest on cash with broker	1	-	1	10
Other UK bank interest	-	-	-	6
Income from UK properties	96	-	96	160
	327	212	539	793

6 Income from donations

	2021	2020
	£000	£000
Staff/pensioner housing	370	389
Other donations and legacies	34	48
	404	437

The income from donations and legacies was £404,000 (2019/20: £437,000) of which £404,000 was unrestricted and £nil restricted (2019/20: £437,000 unrestricted and £nil restricted).

The charity benefits greatly from the support of its many volunteers. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of the volunteers is not recognised in the accounts.

7 Analysis of expenditure on raising funds

	2021	2020
	£000	£000
Subsidiary trading operations	381	1,840
Investment fees (see note 16)	95	92
	476	1,932

Expenditure on raising funds was unrestricted.

Investment fees includes £50,000 for the General Fund (2019/20: £47,000) and £45,000 for the Art Purchase Fund (2019/20: £45,000).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

8 Analysis of expenditure on charitable activities

	2021 £000	2020 £000
Admissions expenses	2,120	3,628
Expenses of park events	-	15
Maintenance of the art collection	401	462
Maintenance of the garden, park and woods	1,136	1,362
General upkeep of the house and stables	2,255	2,037
Repair expenditure	436	1,109
General insurance	252	218
Management rents	370	389
Allocations of support costs (see note 9)	2,394	2,524
Allocation of governance costs (see note 9)	180	197
	9,544	11,941

Expenditure on charitable activities was £9,030,000 (2019/20: £11,941,000) of which £8,994,000 was unrestricted and £36,000 was restricted (2019/20: £11,851,000 unrestricted and £90,000 restricted).

9 Analysis of governance and support costs

	2021 £000	2020 £000
Management charge	1,091	1,120
Wages & salaries	917	912
Legal & professional	36	33
Depreciation	87	69
Other administrative	140	208
Service & interest cost on unfunded pension scheme	315	372
Secretarial fees	22	41
Audit fees	24	23
Trustee's expenses (see note 27)	-	-
	2,632	2,778
Allocated:		
Charitable activities	2,394	2,524
Governance costs	180	197
Preservation and maintenance	58	57
	2,632	2,778

Included within legal and professional fees are amounts payable to the auditor of £nil for non-audit services (2019/20: £10,000).

10 Taxation

The charity is generally exempt from United Kingdom corporation tax because of its charitable status.

Chatsworth House Enterprises Limited is subject to tax but no liability is held as all profits earned are paid to the charity under the gift aid scheme.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

11 Staff numbers

The average monthly head count was 285 staff (2019/20: 361 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the period was as follows:

	2021 Number	2020 Number
Administration and management	24	29
Domestic	10	13
Wardens	20	41
Maintenance	28	30
Gardens	29	30
Domain	6	6
Farm yard	10	15
	127	164

12 Analysis of staff costs, trustee remuneration and expenses and the cost of key management personnel

	2021 £000	2020 £000
Salaries & wages	3,514	3,644
Social security	630	688
Employers pension contributions to the money purchase scheme	136	127
Staff/pensioner housing	370	389
Service cost on unfunded pension	128	146
Interest cost on unfunded pension	187	226
	4,965	5,220

Five employees had employee benefits in excess of £60,000 (2019/20: five).

	2021 Number	2020 Number
£60,000 - £70,000	2	2
£70,000 - £80,000	1	1
£80,000 - £90,000	2	2
	5	5

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

No fee nor salary is paid to any Council member during the year (2019/20: £nil). Council members were reimbursed for out of pocket expenses incurred during the period - £nil (2019/20: £470). As outlined in note 27, Mr ERH Perks is also a partner in Currey & Co LLP which supplies legal services to the charity.

The key management personnel of the parent charity comprise the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. The total employee benefits of the key management personnel of the parent charity total £267,000 (2019/20: £268,000).

The key management personnel of the group comprise those of the parent charity and the key management personnel of its wholly owned subsidiaries, The Chatsworth Estate Company and Chatsworth House Enterprises Limited.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

13 Tangible assets

	Group				Charity			
	Long Leasehold Buildings	Equipment and Vehicles	Assets under Construction	Total	Long Leasehold Buildings	Equipment and Vehicles	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost:								
At 1 April 2020	2,099	6,715	-	8,814	2,099	6,556	-	8,655
Additions/Adjustments	-	328	-	328	-	328	-	328
Disposals	(514)	(7)	-	(521)	(514)	(7)	-	(521)
At 31 March 2021	1,585	7,036	-	8,621	1,585	6,877	-	8,462
Accumulated Depreciation:								
At 1 April 2020	1,391	4,939	-	6,330	1,391	4,920	-	6,311
Charge for the period	20	352	-	372	20	344	-	364
Disposals	-	(7)	-	(7)	-	(7)	-	(7)
At 31 March 2021	1,411	5,284	-	6,695	1,411	5,257	-	6,668
Net Book Amounts								
At 31 March 2021	174	1,752	-	1,926	174	1,620	-	1,794
At 31 March 2020	708	1,776	-	2,484	708	1,636	-	2,344

14 Heritage assets

During the period additions of £11,000 (2019/20: £474,000) were added to the collection.

Five year financial summary of heritage asset transactions

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Opening balance b/fwd	10,089	9,649	9,622	9,672	6,610
Acquisitions	11	474	43	48	3,062
Disposal	-	(34)	(16)	(98)	-
Closing balance c/fwd	10,100	10,089	9,649	9,622	9,672

Preservation and Management

The charity employs its own Collections Department which is responsible for the ongoing restoration and maintenance of the collection at Chatsworth. The collections team consists of eleven full-time and one part-time staff and comprises a Head of Collections who has overall responsibility as well as her team of curators, archivists, librarians and a textiles team.

The team utilises a sophisticated collections management system which is used to maintain the nature, location and provenance of all items in the collection.

The charity incurs as an expense all the costs associated with its own heritage assets as well as those assets which are the subject of the lease. In 2020/21 £44,000 was expended on restoration and maintenance of the collection (2019/20: £93,000).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

15 Investment properties

	2021 £000	2020 £000
Investment properties held at fair value	2,680	2,680

A formal valuation was carried out in August 2020 by Strutt & Parker valuing the investment properties at £2,680,000. Nicholas Wood, the Estates Director for the Derbyshire Estate of Chatsworth Settlement Trustees has reviewed that valuation as at 31 March 2021 and advised no change in the fair value.

16 Investments

	General Fund £000	Art Purchases Fund £000	Total 2021 £000	Total 2020 £000
Market value at 1 April 2020	10,683	8,674	19,357	19,109
Acquired during the period, at cost	1,343	1,300	2,643	5,355
Disposal	(1,232)	(697)	(1,929)	(3,690)
Unrealised (losses)/gains for the period	1,389	1,302	2,691	(2,464)
Investment income	230	212	442	627
Cash drawdown	(298)	(522)	(820)	513
Management fees	(50)	(45)	(95)	(93)
Market value at 31 March 2021	12,065	10,224	22,289	19,357

	General Fund £000	Art Purchases Fund £000	Total 2021 £000	%	Total 2020 £000	%
£ Fixed interest	378	370	748	3.3%	652	3.4%
£ Index linked	161	153	314	1.4%	311	1.6%
Other index linked	734	675	1,409	6.3%	1,415	7.3%
Alternative investments	314	304	618	2.8%	1,362	7.0%
United Kingdom	4,412	4,118	8,530	38.4%	5,752	29.8%
Europe	129	127	256	1.1%	272	1.4%
Rest of the World	4,809	4,019	8,828	39.6%	6,570	33.9%
Other securities	186	173	359	1.6%	1,324	6.8%
Cash	942	285	1,227	5.5%	1,699	8.8%
Total market value	12,065	10,224	22,289	100.0%	19,357	100.0%
Cost	9,326	8,407	17,733		17,020	

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

16 Investments (continued)

	as at 31 March 2021			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
Listed stocks or collective investment vehicles	21,057	-	-	21,057
Accrued interest	-	-	5	5
Cash	1,227	-	-	1,227
Market value at 31 March 2021	22,284	-	5	22,289

	as at 31 March 2020			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
Listed stocks or collective investment vehicles	17,653	-	-	17,653
Accrued interest	-	-	5	5
Cash	1,699	-	-	1,699
Market value at 31 March 2020	19,352	-	5	19,357

The charity is exposed to price risk, liquidity risk and credit risk in the securities held in its investment portfolios. The Council has appointed qualified investment managers to manage the investment portfolios. These investment managers are subject to the oversight of the Investment Committee which meets the investment managers twice per year to review performance.

Investments in subsidiary and associated undertakings

	Country of incorporation	Principal activity	Holding	Net assets/ (liabilities)	Profit/ (loss) for period
The Chatsworth Estates Company	United Kingdom	Investment Company and Nominee	100%	(£3,612)	(£1,278)
Chatsworth House Enterprises Limited	United Kingdom	Trading activities	100%	£1	£342,516

17 Stocks

	Group		Charity	
	2021 £000	2020 £000	2021 £000	2020 £000
Stores	52	61	52	61
Livestock	17	6	17	6
	69	67	69	67

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

18 Debtors

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade debtors	264	632	24	4
Amounts due from related undertakings	78	343	78	343
Bad debt provision	(25)	(6)	(25)	(6)
	317	969	77	341
Amounts due from group companies	-	-	198	331
Prepayments and accrued income	1,256	1,499	1,036	1,320
	1,573	2,468	1,311	1,992

Balances due to/from the group companies are interest free, unsecured and repayable on demand.

19 Creditors – Amounts falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£000	£000	£000	£000
Amounts falling due within one year:				
The Chatsworth Settlement	2,418	1,594	2,418	1,594
Other trade creditors	234	305	214	305
Deferred income	481	373	480	372
Accruals	1,466	2,260	1,056	1,474
Other taxation and social security	55	29	55	29
	4,654	4,561	4,223	3,774

The Chatsworth Settlement is shown as a net balance within creditors. The trustees consider it appropriate to show debtor and creditor balances net, due to a legal right of offset.

20 Deferred income

Deferred income comprises the element of membership fees of the Friends of Chatsworth which relate to future periods.

	£000
Balance as at 1 April 2020	373
Amounts released to income earned from charitable activities	(373)
Amounts deferred in year	481
Balance as at 31 March 2021	481

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

21 Analysis of group net assets between funds

	General Fund £000	Art Purchases Fund £000	Donated Asset Reserve £000	Other Restricted Funds £000	2021 £000
Tangible fixed assets	2,900	8,208	765	154	12,027
Investment properties	2,680	-	-	-	2,680
Investments	12,064	10,224	-	-	22,288
Cash at bank and in hand	399	-	-	-	399
Net current (liabilities)/assets	(3,611)	744	-	(145)	(3,012)
Unfunded pension scheme liability	(11,991)	-	-	-	(11,991)
	2,441	19,176	765	9	22,391

	General Fund £000	Art Purchases Fund £000	Donated Asset Reserve £000	Other Restricted Funds £000	2020 £000
Tangible fixed assets	3,611	8,197	765	-	12,573
Investment properties	2,680	-	-	-	2,680
Investments	10,682	8,674	-	-	19,356
Cash at bank and in hand	1,082	34	-	-	1,116
Net current (liabilities)/assets	(2,578)	544	-	9	(2,025)
Unfunded pension scheme liability	(8,273)	-	-	-	(8,273)
	7,204	17,449	765	9	25,427

22 General Fund

The charity's General Fund was established by gifts from the 11th Duke of Devonshire, the 12th Duke of Devonshire and the Duke of Devonshire's Charitable Trust.

	Revaluation reserve £000	Revenue reserve £000	Total £000
The reserves at the fund comprise:			
At 1 April 2020	1,968	5,236	7,204
Unrealised gains on investments	1,389	-	1,389
Revaluation of investment properties	-	-	-
Actuarial losses on unfunded pension scheme liability	-	(3,694)	(3,694)
Realised gains on investments	-	311	311
Net outgoing resources	-	(2,768)	(2,768)
Transfer between reserves	(118)	118	-
At 31 March 2021	3,239	(797)	2,442

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

22 General Fund (continued)

Comparative figures from 2019/20	Revaluation reserve £000	Revenue reserve £000	Total £000
The reserves at the fund comprise:			
At 1 April 2019	1,966	4,619	6,585
Unrealised losses on investments	(1,274)	-	(1,274)
Revaluation of investment properties	(281)	-	(281)
Actuarial gains on unfunded pension scheme liability	-	1,362	1,362
Realised gains on investments	-	201	201
Net outgoing resources	-	611	611
Transfer between reserves	1,557	(1,557)	-
At 31 March 2020	1,968	5,236	7,204

The revaluation reserve represents the surplus of the market value over the cost of investments and investment properties. The revenue reserve represents accumulated revenue surpluses, accumulated realised surpluses on disposals of investments, together with capital grants and donations received.

23 Art Purchases Fund

The charity has established this fund from surpluses arising in past years from the General Fund to generate income primarily for the purchase of works of art for the public benefit, though the fund may be used for other purposes at the discretion of the Council of Management.

The reserves of the fund comprise:	Revaluation reserve £000	Revenue reserve £000	Total £000
At 1 April 2020	870	16,579	17,449
Unrealised gains on investments	1,302	-	1,302
Realised gains on investments	-	291	291
Net incoming resources	-	134	134
Transfer between funds	(354)	354	-
At 31 March 2021	1,818	17,358	19,176

Comparative figures from 2019/20	Revaluation reserve £000	Revenue reserve £000	Total £000
The reserves of the fund comprise:			
At 1 April 2019	1,788	16,388	18,176
Unrealised losses on investments	(1,190)	-	(1,190)
Realised gains on investments	-	203	203
Net incoming resources	-	260	260
Transfer between funds	272	(272)	-
At 31 March 2020	870	16,579	17,449

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

23 Art Purchases Fund (continued)

The revaluation reserve represents the surplus of the market value over the cost of investments. The revenue reserve represents accumulated revenue surpluses, accumulated realised surpluses on disposals of investments, together with capital grants and donations received.

24 Restricted Funds

The charity has established these funds to account for donations for specific projects and for specific grant funded activities.

	Historic Houses-Risk Response Fund	Seahorse Fountain	RPA (Tree Planting)	Total
The reserves of the fund comprise:				
At 1 April 2020	-	8	1	9
Income	190	-	-	190
Expenditure	(190)	-	-	(190)
At 31 March 2021	-	8	1	9

The grant was received from Historic England's Covid-19 Emergency Heritage at Risk Response Fund. The funds covered 75% of the works to replace a high voltage cable between the House and Stables.

	Master Drawings	Seahorse Fountain	AIM History Makers	Art Council	RPA (Tree Planting)	Total
Comparative figures for 2019/20						
The reserves of the fund comprise:						
At 1 April 2019	15	8	-	-	1	24
Income	-	-	60	15	-	75
Expenditure	(15)	-	(60)	(15)	-	(90)
At 31 March 2020	-	8	-	-	1	9

25 Donated Asset Reserve

The charity has established this fund to account for donations of art to the charity arising in the prior period.

	Chaos Meteoro £000	Total £000
The reserves of the fund comprise:		
At 1 April 2020	765	765
Income	-	-
Expenditure	-	-
Transfer between funds	-	-
At 31 March 2021	765	765

This donated sculpture has been placed in the Chatsworth garden. At the time that the donation was made, the Council agreed that the work should remain at Chatsworth for a period of 35 years from October 2015.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2021 (continued)

26 Pensions

Contributions were made during the year to the Devonshire Group Pension Scheme (a sub fund of the Legal and General Workplace Master Trust, and a defined contribution scheme), which amounted to £111,000 (2019/20: £92,000).

Since 12 April 1981, there has been an obligation to provide pensions for eligible employees of the Chatsworth Estate Pension Scheme. The Chatsworth Estate Pension Scheme provides benefits based on final pensionable salary. The scheme was closed to new members in 1999.

Pensions paid to former employees under the Chatsworth Estate Pension scheme (a defined benefit scheme) in the year amounted to £291,000 (2019/20: £301,000).

In 2020/21 a formal valuation has been undertaken by Jim Burrows FIA, a senior consultant with XPS Pensions Group. This valuation as required by FRS 102 has been recognised in the accounts.

The financial assumptions have again been derived using a 'yield curve' methodology, which reflects the duration of the Scheme's liabilities when deriving suitable assumptions for FRS 102 purposes as at 31 March 2021.

The calculation were based on the membership data used in the 2016 actuarial valuation. This has been updated using the split of members' benefits between Chatsworth House Trust, the Chatsworth Settlement and other employers of the scheme as at July 2021. This updated data resulted in a higher proportion of liabilities being allocated to Chatsworth house Trust largely due to a significant number of members still accruing benefits.

The major assumptions used in the calculation of the liability are as follows:

	2021	2020
Discount rate	2.0%	2.3%
Salary inflation	3.2%	2.5%

The amounts recognised in the balance sheet are as follows:

	2021 £000	2020 £000
Present value of unfunded obligations	11,991	8,273
Deficit in the scheme	11,991	8,273

Analysis of amount recognised within actuarial gains and losses

Changes in assumptions underlying the present value of the scheme liabilities

Changes in discount rate and mortality rates	3,694	(1,362)
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CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

	2021 £000	2020 £000
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	8,273	9,564
Actuarial losses/(gains)	3,694	(1,362)
Interest cost	187	226
Service cost	128	146
Benefits paid	(291)	(301)
Closing defined benefit obligation	11,991	8,273

27. Related party transactions

Devonshire Educational Trust

The Devonshire Educational Trust is a related party as the Duke of Devonshire, the chairman of the Chatsworth House Trust, is a trustee of The Devonshire Educational Trust. The charity has made donations in the period of £50,657 (2019/20: £47,149) to The Devonshire Educational Trust. The Devonshire Educational Trust entered into a memoranda of understanding for ten years to occupy two dilapidated buildings situated at Chatsworth each for a nominal ground rent of £250 per annum. The buildings were subsequently refurbished by The Devonshire Educational Trust to create a facility suitable for educational visits to Chatsworth.

Crocus.co.uk Limited

Mr M W Fane, one of the trustees of Chatsworth House Trust is the Managing Director of Crocus. During the year Crocus supplied plants at a market value of £255,172 (2019/20: £188,484).

The Derbyshire Charity Clay Shoot Event (DCCS)

The DCCS is an annual fundraising event supporting local charities held on land belonging to the Chatsworth Settlement and within the lease held by the charity. Members of the Chatsworth management team are actively involved as organisers of the DCCS event and the charity benefits from the continued success of this event as part of the event surplus is donated to The Devonshire Educational Trust to support activity at Chatsworth which advances the education of the public in the arts and sciences.

No facility fee was received during the year as the event was cancelled due to COVID-19 (2019/20: £15,000).

Transactions with Council Members

Members of the Council were reimbursed for travel expenses amounting to £nil (2019/20: £470).

The Duke of Devonshire leases the private apartments from the charity, under which a full market rent is payable (subject to five yearly reviews). During the year rent of £75,000 (2019/20: £75,000) was received. A rent review is currently being undertaken and the valuers are satisfied there should be no change in the rental value.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

27 Related party transactions (continued)

The Chatsworth Settlement

The Chatsworth Settlement is a related party due to its common management with Chatsworth House Trust. Mr J D S Booth, one of the trustees of Chatsworth House Trust during the period is also a trustee of The Chatsworth Settlement.

The related party transactions in the year relate to the following:

- Recharges

Staff are jointly employed by the charity and the Chatsworth Settlement. The Chatsworth Settlement operate central payroll and the total cost of staff invoiced to the charity during the period was £4,333,476 (2019/20: £4,750,047).

Support costs include charges from the Chatsworth Settlement for senior management time and central overheads including; Finance, Human Resources, IT Systems, Land Agency and Planning. These staff are jointly employed by the charity and the Trustees of the Chatsworth Settlement. During the period £1,090,893 (2019/20: £1,119,806) was recharged to the charity. In addition, the charity charged for work undertaken by its own internal departments for the benefit of the Chatsworth Settlement £40,782 (2019/20: £38,381). All charges are made on the basis of time spent or resources consumed.

Rent costs of staff and pensioner housing are donated from the Chatsworth Settlement, the amount during the period was £370,200 (2019/20: £389,150). Included in the management fee above is the maintenance and repair costs for this housing of £117,119 (2019/20: £171,787).

- Rent

The charity leases from the Chatsworth Settlement under a 99 year lease at nominal rent, granted in 1981, Chatsworth House and certain contents (chattels), together with the garden, park and woodland surrounding the house (comprising approximately 1,822 acres in total). The charity's lease was granted subject to a sub-lease of the private quarters to the Duke of Devonshire. The charity is able to return some of the chattels from time to time to The Chatsworth Settlement in exchange for other chattels of not less than an equivalent value and interest to the public.

Rental income (note 4) is also receivable from the Chatsworth Settlement based on the annual turnover of businesses operated by them in premises located at Chatsworth. During the year £278,617 (2019/20: £744,562) was received.

A ground rent of £250 per annum has been agreed in respect of the occupation of land by Devonshire Renewable Energy Limited for the renewable energy centre. The company is 100% owned by Devonshire Group Limited which is owned by Chatsworth Settlement. During the period, the company sold heat and power amounting to £63,299 (2019/20: £107,560) to the charity.

Currey & Co LLP

Currey & Co LLP is a related party as Mr ERH Perks, who was a Member of the Council during the period, is also a partner in Currey & Co LLP.

Fees are charged for the legal services provided by Currey & Co LLP. The fees for the period are £22,325 (2019/20: £41,257).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

27 Related party transactions (continued)

The charity invoices the Duke of Devonshire the full costs of any private expenditure incurred. During the year £8,375 (2019/20: £6,936) was invoiced for gas and office costs.

	2021 £	2020 £
Amounts due (from)/to Chatsworth House Trust at 31 March 2021 with		
The Chatsworth Settlement	(2,418,151)	(1,594,088)
Duke of Devonshire	2,507	20,974
Devonshire Renewable Energy Ltd	(45,856)	(9,491)
Chatsworth Estate Trading	(3,612)	(11,372)
Devonshire Educational Trust	229	5,558
Devonshire Hotel Group	13,633	(21,832)
Elm Tree Farm	(1,152)	-

28 Restoration expenditure

At the 31st March 2021 all phases of the Master Plan were complete. No further commitment to this project has been made.

In May 2018, the contractor engaged in carrying out phase 4 of the Masterplan works was placed into administration. The charity terminated the construction contract, completed the work directly and entered into discussions with insurers about recovering losses under a performance bond. This was received post year end. The Council of Management is satisfied that no adjustment is necessary to the financial statements in respect of this event.

29 Financial instruments

	2021 £000	2020 £000
Carrying amount of financial assets		
Financial assets measured at fair value through net income/expenditure	22,289	19,357
Debt instruments measured at amortised cost	317	969
Carrying amount of financial liabilities		
Measured at amortised cost	4,654	4,561

30 Operating lease commitments

There were no operating lease commitments as at 31 March 2020 and 31 March 2021.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2021 (continued)

31 Reconciliation of cash and cash equivalents

	2021 £000	2020 £000
Cash at bank and in hand	399	1,116
Cash held with investment manager	1,227	1,699
Net funds at 31 March 2021	1,626	2,815