

**CHATSWORTH HOUSE TRUST**

**Annual report and consolidated financial statements**

**for the year ended 31 March 2022**

**Registered Charity Number 511149**

**Registered Company Number 01541046**



**CHATSWORTH**

**CHATSWORTH HOUSE TRUST**

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**Annual report and financial statements**

**For the year ended 31 March 2022**

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### **Legal and administration details for the year ended 31 March 2022**

**Charity number**

511149

**Company number**

01541046

**Trustees/Directors (Council of Management)**

Lord Burlington - 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)

Dr R N Cullinan (appointed 17 February 2022)

**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**

Sarasin & Partners LLP

100 St Paul's Churchyard

London

EC4M 8BU

## **CHATSWORTH HOUSE TRUST**

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### **Report of the Council of Management for the year ended 31 March 2022**

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 2022, 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 23<sup>rd</sup> 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 one subsidiary, Chatsworth House Enterprises Limited. The charity and its subsidiary 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 - Chairman
- \* The 12<sup>th</sup> Duke of Devonshire
- 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 15 April 2021)
- Mr M W Fane
- Mrs N S Grose (appointed 1 September 2021)
- Dr R N Cullinan (appointed 17 February 2022)

\* 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 2022 (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

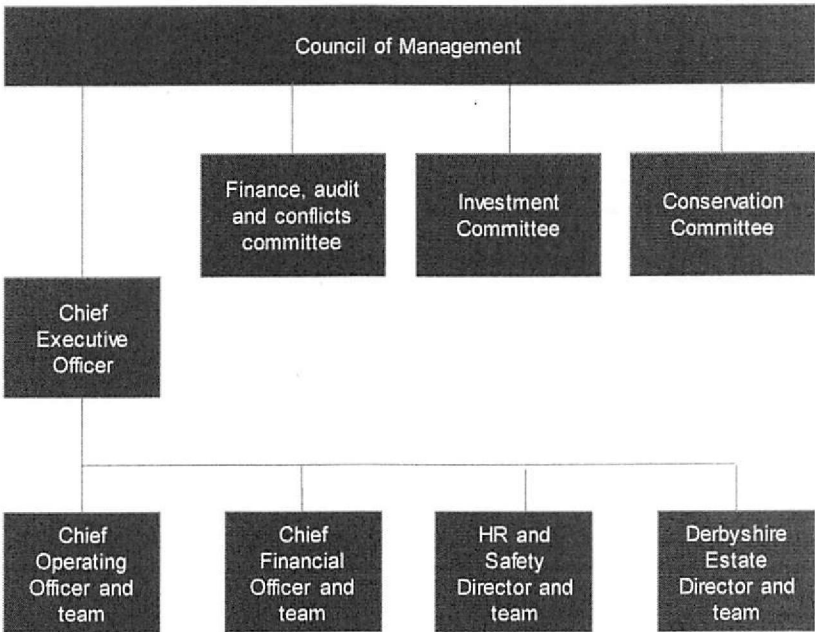
New members undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial 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 ours 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 Booth, 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**

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### **Report of the Council of Management for the year ended 31 March 2022 (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.

## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### *Preservation of the house, gardens and park (continued)*

The charity allows free public access in 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 which improvements are made to restore the landscape, views and vistas in the park including tree planting, repairing walls, footpaths and river bank maintenance. The 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. This was not possible to do during Covid as we had to manage capacity during lockdowns, but we did re-open the car parks free of charge for the closed season during 2022.

As the financial year was drawing to a close in March 2022, we were in advanced preparations for a major exhibition of sculpture in the park – Radical Horizons: The art of Burning Man at Chatsworth. This free to access exhibition took place between 9 April 2022 and 1 October 2022 and resulted in many more members of the public using the park including many that are not our usual visitors. A formal review and evaluation of this exhibition is underway.

#### *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 physically, digitally and intellectually. 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 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. We have a vibrant loans programme to national and international venues which increases access to our collections to millions of visitors worldwide.

Our work on our loans programme continued throughout the pandemic and began to return to normal mid-2022. Many previously agreed loans during 2020 and 2021 were successfully rescheduled into 2022/23. Virtual couriering continued during this time. Our largest loan for 2021/22 was our partnership with The Lightbox in Woking for the Lines of Beauty exhibition (the first stop in this touring exhibition was in Sheffield in 2020). This exhibition enabled us to continue to share 65 of Chatsworth's Old Master drawings with a wider and diverse audience free of charge.

Our other significant loans for 2021/22 were; two paintings to Dublin Castle and; the loan of a wood carving to the Grinling Gibbons exhibition at Compton Verney. In total these exhibitions saw over 68,854 visitors. We also loaned a Faberge snuff-box to the Victoria and Albert Museum.

Our main season exhibition at Chatsworth for 2021 was Life Stories: Real people revealed in portraits and objects. Life Stories was postponed from 2020 and presented in 2021, with some modifications due to Covid restrictions. However, the essence of the exhibition was preserved and the presence of new objects on the visitor route was a welcome addition. We paired portraits and objects to tell stories about human connection, folly, legacy, relationships and representation. We also presented some challenging stories too, including the representation of Black people through two portrait busts by Charles Cordier. The exhibition content was drawn from the collection, and augmented by loans from private galleries (Osbourne Samuel), other country houses (Burghley and the Portland Collection) and creative collaboration with one of our partners (CW Sellors).

Working in partnership with the Victoria and Albert Museum, we presented two of the Devonshire Hunting Tapestries in the Sculpture Gallery. The tapestries, dating from 1425-50 are hugely significant textiles, and rare survivors from the 15th century. They were once part of the Devonshire Collection and accepted in lieu of tax in the 1950s. They were transferred to the V&A, where they have been on display since. Due to the refurbishment of one of their galleries, they offered them to us for display. The tapestries, called Falconry and Otter and Swan are fascinating insights into medieval life, fashion, landscape and leisure. We were able to install new lighting to show them to their full advantage, and new interpretation and research has enabled our visitors to really look into these scenes from the past.

## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### *The Devonshire Collections and Creative Programme (continued)*

Our Christmas theme for 2021 was a celebration of 20 magical years of Christmas at Chatsworth, titled 'Chatsworth Christmas: 20 years of Magic'. The displays in the house transported visitors back to favourite moments of past Christmases at Chatsworth; Jack's beanstalk from 2012 climbed high into the lantern on the Oak Stairs, a life-size music box in the Chapel was inspired by our Nutcracker themed year in 2016, and a flurry of snow that continued to fall and settle in the Inner Court hinted at the Narnia themed Christmas from 2013.

The successful bid submitted to Archives Revealed (funding body administered by the National Archives) in 2020 allowed for the employment of a project archivist from April 2021 to June 2022. "The Devonshire Inheritance: Unlocking the Cavendish Family Papers" transformed access to six of our most important collections, including Bess of Hardwick's 16th-century accounts and the political correspondence of the 8th Duke of Devonshire.

At the end of 2021, we were delighted to receive grant funding from the National Manuscripts Conservation Trust and the Golden Bottle Trust for the conservation of nine highly significant documents from the early modern period, including the grant of the Devonshire Dukedom dating from 1694, and a remarkable 4.5-metre long pedigree drawn up in 1626 for Richard Boyle, 1st Earl of Cork.

Our Conservation Assistants continued to deliver a programme of preventive conservation, a vital element of the team's work both to objects in store and on display including regular cleaning of our modern and contemporary sculptures in the garden.

#### *Learning at Chatsworth*

In September 2021, the Devonshire Educational Trust merged with the Chatsworth House Trust to create the new Learning and Engagement department. The team is based at Chatsworth with programmes also running at Bolton Abbey in Yorkshire and Lismore Castle in Ireland.

Following the need in 2020 to deliver our service remotely and digitally, now our approach to learning at all our locations blends digital and on-site experiences. An innovative example of this is the 'Explore the House' experience, developed using Matterport scanning technology. The platform hosts an immersive digital model of Chatsworth; participants can choose their own route and zoom in for close ups of objects. The learning content layered onto the model has been co-designed with a group of primary school teachers and the experience is currently in the process of being rolled out across all Derbyshire primary schools.

The following learning projects and initiatives were delivered:

- We were awarded funding from The Mighty Creatives - an Arts Council England 'bridge' organisation - as part of their 'Return to school' fund. Designed to help schools and educators work together to support pupils during this challenging year, we partnered with Spire Junior School in Chesterfield. At the end of this art-based project, 187 pupils achieved the 'Discover Arts Award' certificate, in which young people aged between 5 and 25 log their experiences of participating in and sharing art.
- During the summer, Chatsworth delivered a pilot project with the Widening Participation team from the University of Derby and teachers from Highfields Secondary School, Matlock. 'Rise High Highfields' was a summer school designed for primary school leavers about to join Highfields. The start of a three-year project, this enabled students to build a rapport with peers and staff, to develop skills and confidence, and to broaden horizons around future careers and vocations. Impact evaluation revealed increases in all three areas and this will inform the full project as it develops over the next two years.
- Through a continuing partnership with the Ernest Cook Trust, Chatsworth has a new team member overseeing a Landscape Engagement programme. The Ernest Cook Trust is a leading UK educational charity focusing on children and young people, nurturing a lifelong journey of learning, appreciation and respect for the countryside. The landscape engagement programme got off to a strong start with autumn activities in Stand Wood and in the garden, working alongside colleagues from the landscape and floristry teams.



## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### *Learning at Chatsworth (continued)*

- For Christmas 2021 the team delivered the daytime family experience and a community outreach offer for Christmas at Chatsworth. The Elf trail experience - a virtual trail activating fun facts about how we look after the garden during the winter months, was scanned around 14,500 times. 600 children in 15 infant, primary and special education needs schools across Sheffield, Chesterfield, Ripley and surrounding villages, as well as one care home, enjoyed festive baking using cookie kits donated by Chatsworth. The kits included everything needed to make around 60 gingerbread cookies; each kit included ingredients from Chatsworth Estate Farm Shop, baking trays, icing bags, sprinkles and decorations plus cookie cutters in the shape of Chatsworth House as well as stars and Christmas trees.
- As most educational institutions once again had to close their doors due to the pandemic, Chatsworth produced a virtual learning experience in partnership with the University of the Arts, London (UAL) awarding body. This delivered on-line CPD (Continuing Professional Development) for college lecturers teaching art and design courses. Taking inspiration from selected objects from the Devonshire Collection, participants created work exploring visual connections from a personal viewpoint. This livestreamed event followed a one-day workshop held for teachers at Chatsworth in 2019.
- Our team also ran practical and theoretical art workshops for teachers at Totley Primary School, near Sheffield.
- Making More Space for Nature; this new Devonshire Group initiative provided the perfect opportunity for the Learning and Engagement team to work across all sites in collaboration with colleagues from other departments. Activities and short films engaged the public in 'making more space for nature' in light touch and fun ways. Starting with birds, and referring to some established research pathways into wellbeing and nature-connection, activities and resources were designed, illustrated and filmed, making them user- and learner-friendly.
- Linking with making more space for nature, our Outdoor Learning Officer at Bolton Abbey delivered The John Muir Award. This is an environmental scheme encouraging families to spend quality time together outdoors. This was carried out remotely during Covid-19 restrictions; participating families completed 25 hours of outdoor activity resulting in their paying more attention to nature.

#### *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 and the Chatsworth International Horse Trials. Due to the COVID-19 pandemic all events were cancelled. In 2022, we were pleased to be able to return these events to the annual calendar.

The charity encourages and facilitates events to be held in the park by local charitable organisations and special interest groups. The Helens' Trust 10k run event is frequently held in the park.

Chatsworth previously offered an Associate Friends memberships to third sector organisations and local public sector bodies and/or their social clubs at a discounted rate for entry. This scheme came to an end on 31 October 2021. The scheme was replaced with a complimentary Associate scheme, aimed at supporting local third sector organisations. There are 8 of these at present. In addition, a further 3 cards are made available to local community organisations to encourage visits from within those communities. Cards allow complimentary access for up to 6 people per day and includes entry to Chatsworth House, the Garden and the Farmyard.

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

## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### Greenhouse gas emissions

	2022		2021	
	mWh	tonnes CO2e	mWh	tonnes CO2e
Scope 1 emissions				
Gas	1,128	207	1,566	288
Vehicle fuel (diesel and petrol)	318	80	405	103
	<b>1,446</b>	<b>287</b>	<b>1,971</b>	<b>391</b>
Scope 2 emissions				
Electricity (grid)	373	79	866	202
Electricity (bought direct - hydro and CHP)	1,123	363	597	138
Heating on district heat network	2,246	481	1,778	357
	<b>3,742</b>	<b>923</b>	<b>3,241</b>	<b>697</b>
Scope 3 emissions				
Visitor transport		<b>9,265</b>		<b>5,072</b>
Supply chain		<b>601</b>		<b>449</b>
		<b>9,866</b>		<b>5,521</b>
Totals	<b>5,188</b>	<b>11,076</b>	<b>5,212</b>	<b>6,609</b>
Carbon intensity (Tonnes CO2e per £ of Income)		<b>0.79</b>		<b>0.92</b>

Emissions calculations follow the GHG Protocol, and use UK Government GHG Conversion Factors for Company Reporting. Electricity is bought from the national grid and also generated on site using a hydro turbine and a Combined Heat and Power (CHP) engine. The district heat network is powered by a mixture of biomass boilers and the CHP engine. Energy surveys were taken in 2022, on both the entire site for the Energy Savings Opportunity Scheme and the efficiency of the district heat network. A scheme of works is being planned for the next year to improve the efficiency of the network. Studies have also been commissioned on reducing gas consumption for heating in favour of heat pump technology.

#### 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*.

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.

## **CHATSWORTH HOUSE TRUST**

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### **Report of the Council of Management for the year ended 31 March 2022 (continued)**

#### **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.

#### 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

## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### Achievements and Performance (continued)

##### Visitor Numbers

The number of visitors to Chatsworth for the year ended to 31 March 2022 compared with 4 prior periods was as follows:

	2022	2021	2020	2019	2018
Visitor Numbers	573,686	304,001	580,528	614,679	642,817

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 year on year rise in visitor numbers results from the easing of the government restrictions which allowed the attraction to be fully re-open from mid-May, albeit with restricted capacity in place to manage the volume of visitors on site. Once open, the attraction benefitted from strong demand, supported by an increase in staycations. The charity chose to operate under restricted capacity for the entire year including during the Christmas period in order to manage the volume of visitors through the house for the health and wellbeing of our colleagues and visitors. For the year as a whole, visitor numbers did not reach pre-Covid levels – mainly as a result of not being able to open for Easter as we would normally.

For the year ended 31 March 2023, visitor numbers are expected to recover to pre-pandemic levels.

##### Special events and activities

Due to continued government restrictions, we were unable to host our large scale events of the Horse Trials and Country Fair. However, the easing of restrictions allowed the charity to organise and host smaller outdoor events such as cinema, theatre, lights shows and bonfire night, with attendance being similar to pre-pandemic levels.

With remaining restrictions lifted later in the year our Christmas Market was held, with demand for these being exceptionally strong, surpassing levels seen pre-pandemic.

The charity acquired works of art during the year to the value of £65,000 (2021: £11,000) 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 20. It shows that overall the charity had net incoming resources of £2,475,000 for the year incurred from its activities as compared to net resources expended of £2,635,000 in 2021. Of this, net incoming resources of £2,325,000 were received in the General Fund, £159,000 received in the Art Purchases Fund, £9,000 was expended 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 2022 (continued)

#### Financial review (continued)

##### Incoming resources

The charity had four principal sources of income in 2021/22.

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 72% (2020/21: 56%) of the charity's total incoming resources in 2021/22.

The second main income stream is trading activities which includes franchise income £792,000 (2020/21: £279,000), sponsorship of events and exhibitions £481,000 (2020/21: £405,000), events operated by our subsidiary company Chatsworth House Enterprises Limited £355,000 (2020/21: £226,000) and other income £703,000 (2020/21: £1,280,000).

The third main income stream is from donations amounting to £1,061,000 (2020/21: £404,000). Of this income, £516,000 was a vested donation as a result of the merger with Devonshire Educational Trust.

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

##### 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 99% (2020/21: 102%) of total resources expended.

The charity also spent £59,000 on the essential preservation and maintenance of the house and grounds.

##### 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.

During the previous financial 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 & Partners LLP were appointed to manage all of the Devonshire Group's investments including the charity's investments and largely using an existing fund – the Stellar Fund. Assets were moved to Sarasin in June and July 2021.

The investment objectives and composite benchmarks set for the two funds are as follows:

<i>Fund</i>	<i>Target return over rolling 5 years</i>	<i>Composite Benchmark</i>
General Fund	CPI + 4%	80% MSCI All Countries World Index 20% SONIA + 2%
Art Purchases Fund	CPI + 3%	4% ICE BofAML Sterling Corporate Index 10% ICE BofAML Gilts All stock Index 68% MSCI All Countries World Index 17% SONIA + 2% 1% SONIA

## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### Financial review (continued)

##### Performance review:

During much of 2020 and 2021, global markets were still in recovery from the downturns seen at the beginning of the Covid pandemic and then surpassing the pre-Covid levels. By late 2021, the MSCI World Index was 30% higher than its value immediately pre-Covid. By late 2021, inflation was beginning to creep in to developed economies and was high on the agenda for central banks. In the US, inflation had broken out to 3% and the Federal Reserve were signalling interest rate rises – these began in 2022 – by October 2022 the Fed rate had risen from 0.25% to 3.25% to combat inflation which had peaked at 9.1% in June 2022. In the UK a similar pattern was seen with inflation rising in the UK from 2% in the autumn of 2021 to 10%+ a year later. The Bank of England also embarked on a period of raising interest rates, from the 0.1% rate seen for much of 2020 and 2021 and climbing steadily to 2.25% by October 2022.

Global markets started falling in early 2022 with the rise in interest rates, the outbreak of war in Ukraine and a much heightened expectation of a period of recession in most developed markets.

In the first 9 months of the financial year, April to December 2021, the MSCI world had climbed 12% in US\$ terms before falling 4.5% in the January – March 2022 period. The full year return on the MSCI world was +7.3% in US\$ terms.

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

	Year ended 31 March			
	2022 Actual	2022 Benchmark	2021 Actual	2021 Benchmark
General Fund	+6.4%	+8.6%	+19.1%	+24.9%
Art Purchases Fund	+5.7%	+7.2%	+21.1%	+24.9%

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.

The General Fund received investment income of £142,000 (2020/21: £231,000) from its portfolio and £183,000 (2020/21: £96,000) from its property investments. In addition, the fund incurred realised and unrealised gains of £662,000 (2020/21: £1,700,000) during the year from its investment portfolio.

The Art Purchases Fund received investment income of £164,000 (2020/21: £212,000) from its investment portfolio. In addition, the fund incurred realised and unrealised gains of £432,000 (2020/21: £1,593,000).

## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### Financial review (continued)

##### Overall result

After accounting for realised and unrealised losses on investments and on the pension scheme obligations, the total increase in funds was £4,055,000 compared to the £3,036,000 decrease in 2020/21. Of this increase, £3,459,000 (2020/21: £4,763,000 decrease) related to the General Fund, £591,000 increase (2020/21: £1,727,000 increase) to the designated Art Purchases Fund, £5,000 (2020/21: £nil) to the Restricted Funds and £nil (2020/21: £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.

The charity had total reserves at the year-end of £26,446,000 (2020/21: £22,391,000). These include unrestricted income funds (The General Fund and Art Purchases Fund) of £25,667,000 (2020/21: £21,617,000). The Council also monitors its "Free Reserves" position. Free reserves as at 31 March 2022 amounted to: £2,754,000 (2020/21: £459,000). 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 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 153 (2020/21: 127). There were seven staff members earning more than £60,000 per year which is more fully disclosed in note 12 "Analysis of staff costs". Pension contributions for these staff members amounted to £38,656 (2020/21: five staff members earning more than £60,000 with pension contributions of £44,737).

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.

## CHATSWORTH HOUSE TRUST

### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### Financial review (continued)

##### 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.

##### *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 and the Christmas Markets. 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

During the year £6,656 (2020/21: £50,657) 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 merged with the charity and became the Learning and Engagement department.



## CHATSWORTH HOUSE TRUST

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### Report of the Council of Management for the year ended 31 March 2022 (continued)

#### Financial review (continued)

##### Fundraising Practices

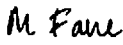
In the financial year the charity did not actively fundraise from the public or undertake similar fundraising activities in its own right or via a trading subsidiary or third party.

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.

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

20/12/2022

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST**

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### **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 2022 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 2022 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)**

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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)**

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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)

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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;
- considering relationships with HMRC and other relevant regulators and the group's legal advisors;
- reviewing legal and professional fees for evidence of litigation; and
- reviewing incident log for evidence of claims and litigation.

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](http://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

20 December 2022

**CHATSWORTH HOUSE TRUST****Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 31 March 2022**

	<i>Notes</i>	<b>General Fund</b> <i>(unrestricted)</i> £000	<b>Art Purchases Fund</b> <i>(unrestricted)</i> £000	<b>Donated Asset Reserve</b> <i>(restricted)</i> £000	<b>Other Restricted Funds</b> <i>(restricted)</i> £000	<b>Total Funds 2022</b> £000	<b>Total Funds 2021</b> £000
<b>Income from:</b>							
Charitable activities	3	10,055	-	-	-	10,055	4,068
Trading activities	4	2,242	-	-	89	2,331	2,190
Investment income	5	325	164	-	-	489	539
Donations and legacies	6	1,061	-	-	-	1,061	404
<b>Total</b>		<b>13,683</b>	<b>164</b>	<b>-</b>	<b>89</b>	<b>13,936</b>	<b>7,201</b>
<b>Expenditure on:</b>							
Raising funds	7	785	5	-	-	790	476
Charitable activities	8	10,514	-	-	98	10,612	9,544
Preservation and maintenance	9	59	-	-	-	59	(184)
<b>Total</b>		<b>11,358</b>	<b>5</b>	<b>-</b>	<b>98</b>	<b>11,461</b>	<b>9,836</b>
<b>Net income/(expenditure) for the year</b>		<b>2,325</b>	<b>159</b>	<b>-</b>	<b>(9)</b>	<b>2,475</b>	<b>(2,635)</b>
Net gains/(losses) on investments		662	432	-	-	1,094	3,293
<b>Net income/(deficit) for the year</b>		<b>2,987</b>	<b>591</b>	<b>-</b>	<b>(9)</b>	<b>3,569</b>	<b>658</b>
Movement between funds		(14)	-	-	14	-	-
<b>Other recognised gains and losses</b>							
Actuarial gain/(loss) on pension scheme	26	486	-	-	-	486	(3,694)
<b>Net movement of funds</b>		<b>3,459</b>	<b>591</b>	<b>-</b>	<b>5</b>	<b>4,055</b>	<b>(3,036)</b>
Total funds brought forward		2,441	19,176	765	9	22,391	25,427
<b>Total funds carried forward</b>		<b>5,900</b>	<b>19,767</b>	<b>765</b>	<b>14</b>	<b>26,446</b>	<b>22,391</b>

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 2020/21 are shown in note 2.

**CHATSWORTH HOUSE TRUST****Consolidated and Charity Balance Sheets as at 31 March 2022**

	Notes	<b>Group</b>		<b>Charity</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Fixed assets	13	2,158	1,926	2,034	1,794
Heritage assets	14	10,165	10,100	10,165	10,100
Investment properties	15	2,680	2,680	2,680	2,680
Investments	16	24,975	22,289	24,975	22,289
<b>Total Fixed Assets</b>		<b>39,978</b>	<b>36,995</b>	<b>39,854</b>	<b>36,863</b>
<b>Current assets</b>					
Stocks	17	74	69	74	69
Debtors	18	1,839	1,573	1,377	1,311
Cash at bank and in hand		179	399	131	362
<b>Total Current Assets</b>		<b>2,092</b>	<b>2,041</b>	<b>1,582</b>	<b>1,742</b>
<b>Creditors (Amounts falling due within one year)</b>	19	<b>(4,109)</b>	<b>(4,654)</b>	<b>(3,475)</b>	<b>(4,223)</b>
<b>Net current liabilities</b>		<b>(2,017)</b>	<b>(2,613)</b>	<b>(1,893)</b>	<b>(2,481)</b>
<b>Net assets excluding pension liability</b>		<b>37,961</b>	<b>34,382</b>	<b>37,961</b>	<b>34,382</b>
Defined benefit pension scheme liability	26	(11,515)	(11,991)	(11,515)	(11,991)
<b>Net assets</b>		<b>26,446</b>	<b>22,391</b>	<b>26,446</b>	<b>22,391</b>
<b>The funds of the charity:</b>					
Unrestricted income funds:					
General Fund	22	5,900	2,441	5,900	2,441
Art Purchases Fund	23	19,767	19,176	19,767	19,176
Restricted Funds	24	14	9	14	9
Donated Asset Reserve	25	765	765	765	765
		<b>26,446</b>	<b>22,391</b>	<b>26,446</b>	<b>22,391</b>

The financial statements on pages 20 to 44 were approved by the Council on **20 December** 2022 and were signed on its behalf by

DocuSigned by:

*M Fane*

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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  
2022**

	<i>Notes</i>	<b>2022</b>	<b>2021</b>
		<i>£000</i>	<i>£000</i>
<b>Cash flows from operating activities:</b>			
Net movement of funds		<b>4,055</b>	<b>(3,036)</b>
(Gains)/losses on investments		<b>(1,094)</b>	<b>(3,293)</b>
Actuarial (gain)/loss on pension scheme		<b>(486)</b>	<b>3,694</b>
Pension service and interest		<b>352</b>	<b>315</b>
Unfunded pension scheme non-cash movement		<b>(342)</b>	<b>(291)</b>
Profit on disposal of assets		<b>-</b>	<b>512</b>
Depreciation charges		<b>372</b>	<b>372</b>
Investment income		<b>(489)</b>	<b>(539)</b>
(Increase)/decrease in stocks		<b>(5)</b>	<b>(2)</b>
(Increase)/decrease in debtors		<b>(266)</b>	<b>895</b>
(Decrease)/increase in creditors		<b>(545)</b>	<b>93</b>
<b>Net cash flow generated from/(used in) operating activities</b>		<b>1,552</b>	<b>(1,280)</b>
<b>Cash flows from investing activities:</b>			
Income from investments		<b>489</b>	<b>539</b>
Proceeds from the sale of property, plant and equipment		<b>-</b>	<b>2</b>
Purchase of property, equipment and heritage assets		<b>(669)</b>	<b>(339)</b>
Purchase of investments		<b>(25,214)</b>	<b>(2,643)</b>
Proceeds from sale of investments		<b>22,395</b>	<b>2,532</b>
<b>Net cash (used in)/generated from investing activities</b>		<b>(2,999)</b>	<b>91</b>
<b>Change in cash and cash equivalents</b>		<b>(1,447)</b>	<b>(1,189)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,626</b>	<b>2,815</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>31</b>	<b>179</b>	<b>1,626</b>



## CHATSWORTH HOUSE TRUST

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### Accounting Policies for the year ended 31 March 2022

#### 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 2019) – (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 2022/23 year and also the likely outcome for the 2023/24 year including in each case an estimate of the cash flow impacts. These indicate that, taking into account reasonably possible downsides, the Group and charity will have sufficient funds to meet its liabilities as they fall due for that period. Factors considered in reaching a conclusion include:

- Covid – 19 will continue to be treated in organisations as many other everyday illnesses with no particular restrictions imposed. In the UK booster vaccinations will continue to be offered similar to the way in which winter flu jabs are administered. Inbound foreign travel from certain countries where restrictions still exist may continue to be an issue for a while.
- Inflation is expected to remain high well into 2023 and possibly beyond. The Bank of England will continue to raise interest rates until the trend on inflation reverses.
- It is likely that a recession in the UK is one of the outcomes of the Bank of England's actions. The aftermath of the Truss Government's short spell in office may linger through the mortgage market for a time.
- The combination of inflation, interest rates and worries about mortgages is likely to depress consumer demand in 2023 and probably beyond.
- 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.

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 currently renewing its overdraft facility with a limit of £1.0m which will be a standby facility it does not expect to draw. In addition, the charity's investment portfolios stand at £25 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**

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### **Accounting Policies for the year ended 31 March 2022 (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. 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 2022 (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 doing so would add materially to the understanding of the charity's financial position.

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

In addition to the above there are a large number of objects not belonging to the charity but which are included by way of an inventory attached to the lease for the House, Gardens and Park dated 26 January 1981 which was assigned to the charity on 10 April 1981 (see note 27). These objects belong to the Trustees of the Chatsworth Settlement and are considered to be on long term loan (99 years from 28 January 1981) to the charity. These objects are available for the charity to use on public display. Under the terms of the lease and subject to the agreement of the Council of Management, objects subject to this loan may be substituted by the Trustees of the Chatsworth Settlement provided that such object is replaced by an item or items that are deemed to be of equal value, public interest or heritage importance. The company does not recognise the chattels held on this long term loan on its Balance Sheet.

#### Investments

Investments are stated in the balance sheet at mid-market value and include cash balances held by the investment managers. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase price if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value.

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 property valuations are assessed annually by the Council of Management and reviewed internally by the Derbyshire Estates Director for the Chatsworth Settlement based on his assessment of the market at the time.

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**

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### **Accounting Policies for the year ended 31 March 2022 (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 since 1 September 1999.

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

The charity participates in the Devonshire Group Pension Scheme – a defined contribution master trust operated by L&G. Contributions to the Devonshire Group Pension Scheme are recorded as an expense and any contributions due but not yet paid are included as a liability on the charity's 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 2022 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**

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### **Accounting Policies for the year ended 31 March 2022 (continued)**

#### ***Tangible fixed assets – art***

As explained in the accounting policies, revaluations are not performed of the charity's heritage property.

#### ***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 2022

#### 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 2022 there were four (2021: four) members.

#### 2 Comparative Statement of Financial Activities

The following shows the comparative consolidated Statement of Financial Activities for the period ended 31 March 2021, 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 (restricted) £000	Other Restricted Funds (restricted) £000	Total Funds 2021 £000
<b>Income from:</b>					
Charitable Activities	4,068	-	-	-	4,068
Trading activities	2,000	-	-	190	2,190
Investment income	327	212	-	-	539
Donations & Legacies	404	-	-	-	404
<b>Total</b>	<b>6,799</b>	<b>212</b>	<b>-</b>	<b>190</b>	<b>7,201</b>
<b>Expenditure on:</b>					
Raising funds	432	44	-	-	476
Charitable activities	9,474	34	-	36	9,544
Preservation and Maintenance	(184)	-	-	-	(184)
<b>Total</b>	<b>9,722</b>	<b>78</b>	<b>-</b>	<b>36</b>	<b>9,836</b>
<b>Net (expenditure)/income for the year</b>	<b>(2,923)</b>	<b>134</b>	<b>-</b>	<b>154</b>	<b>(2,635)</b>
Net gains on investments	1,700	1,593	-	-	3,293
<b>Net (deficit)/income for the year</b>	<b>(1,223)</b>	<b>1,727</b>	<b>-</b>	<b>154</b>	<b>658</b>
Movement between funds	154	-	-	(154)	-
<b>Other recognised gains and losses</b>					
Actuarial (loss)/gain on pension scheme	(3,694)	-	-	-	(3,694)
(Loss)/gain on investment properties	-	-	-	-	-
<b>Net movement of funds</b>	<b>(4,763)</b>	<b>1,727</b>	<b>-</b>	<b>-</b>	<b>(3,036)</b>
Total funds brought forward	7,204	17,449	765	9	25,427
<b>Total funds carried forward</b>	<b>2,441</b>	<b>19,176</b>	<b>765</b>	<b>9</b>	<b>22,391</b>

**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****3 Income from charitable activities**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Amounts receivable from admissions	<b>10,055</b>	<b>4,068</b>

Income received from admissions was unrestricted (2020/21: unrestricted).

**4 Income from other trading activities**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Income from park events	<b>355</b>	<b>226</b>
Rental income (see note 27)	<b>792</b>	<b>279</b>
Other income	<b>1,184</b>	<b>1,685</b>
	<b>2,331</b>	<b>2,190</b>

The income from trading activities was £2,331,000 (2020/21: £2,190,000) of which £2,242,000 was unrestricted and £89,000 was restricted (2020/21: unrestricted £2,000,000 and £190,000 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 park 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.

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Turnover	<b>1,095</b>	<b>724</b>
Cost of sales	<b>(760)</b>	<b>9</b>
Facility fee	<b>(140)</b>	<b>(379)</b>
Administration costs and interest payable	<b>(11)</b>	<b>(11)</b>
Net profit	<b>184</b>	<b>343</b>
Amount gift aided to the charity	<b>(184)</b>	<b>(343)</b>
Retained in subsidiary	<b>-</b>	<b>-</b>
The assets and liabilities of the subsidiary were:		
Fixed assets	<b>124</b>	<b>132</b>
Current assets	<b>677</b>	<b>496</b>
Current liabilities	<b>(801)</b>	<b>(628)</b>
Total net assets	<b>-</b>	<b>-</b>

**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****5 Investment income**

	<b>General Fund</b>	<b>Art Purchases Fund</b>	<b>2022</b>	<b>2021</b>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Income from quoted investments				
UK Fixed interest stocks	3	3	6	17
UK Equities	135	151	286	384
Overseas stocks	4	10	14	41
Interest on cash with broker	-	-	-	1
Income from UK properties	183	-	183	96
	<b>325</b>	<b>164</b>	<b>489</b>	<b>539</b>

Income received from investments was unrestricted (2020/21: unrestricted).

**6 Income from donations**

	<b>2022</b>	<b>2021</b>
	<i>£000</i>	<i>£000</i>
Staff/pensioner housing	392	370
Other donations and legacies	669	34
	<b>1,061</b>	<b>404</b>

The income from donations and legacies was £1,061,000 (2020/21: £404,000) of which £1,061,000 was unrestricted and £nil restricted (2020/21: £404,000 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**

	<b>2022</b>	<b>2021</b>
	<i>£000</i>	<i>£000</i>
Subsidiary trading operations	771	381
Investment fees (see note 16)	19	95
	<b>790</b>	<b>476</b>

Expenditure on raising funds was unrestricted.

Investment fees includes £14,000 for the General Fund (2020/21: £50,000) and £5,000 for the Art Purchase Fund (2020/21: £45,000).



**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****8 Analysis of expenditure on charitable activities**

	2022	2021
	£000	£000
Admissions expenses	2,806	2,120
Expenses of park events	545	-
Maintenance of the art collection	344	401
Maintenance of the garden, park and woods	1,163	1,136
General upkeep of the house and stables	1,935	2,255
Repair expenditure	385	436
General insurance	292	252
Management rents	392	370
Allocations of support costs (see note 9)	2,572	2,394
Allocation of governance costs (see note 9)	178	180
	<b>10,612</b>	<b>9,544</b>

Expenditure on charitable activities was £10,612,000 (2020/21: £9,544,000) of which £10,514,000 was unrestricted and £98,000 was restricted (2020/21: £9,508,000 unrestricted and £36,000 restricted).

**9 Analysis of governance and support costs**

	2022	2021
	£000	£000
Management charge	1,253	1,091
Wages & salaries	846	917
Legal & professional	65	36
Depreciation	57	87
Other administrative	190	140
Service & interest cost on unfunded pension scheme	352	315
Secretarial fees	27	22
Audit fees	18	24
Trustee's expenses (see note 27)	-	-
	<b>2,808</b>	<b>2,632</b>
Allocated:		
Charitable activities	2,571	2,394
Governance costs	178	180
Preservation and maintenance	59	58
	<b>2,808</b>	<b>2,632</b>

Included within legal and professional fees are amounts payable to the auditor of £nil for non-audit services (2020/21: £nil).

**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 2022 (continued)****11 Staff numbers**

The average monthly head count was 283 staff (2020/21: 285 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the period was as follows:

	2022 Number	2021 Number
Administration and management	27	24
Domestic	11	10
Wardens	34	20
Maintenance	32	28
Gardens	30	29
Domain	6	6
Farm yard	13	10
	<b>153</b>	<b>127</b>

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

	2022 £000	2021 £000
Salaries & wages	3,381	3,514
Social security	696	630
Employers pension contributions to the money purchase scheme	127	136
Staff/pensioner housing	392	370
Service cost on unfunded pension	115	128
Interest cost on unfunded pension	237	187
	<b>4,948</b>	<b>4,965</b>

Seven employees had employee benefits in excess of £60,000 (2020/21: five).

	2022 Number	2021 Number
£60,000 - £70,000	3	2
£70,000 - £80,000	1	1
£80,000 - £90,000	3	2
	<b>7</b>	<b>5</b>

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 (2020/21: £nil). Council members were reimbursed for out of pocket expenses incurred during the period - £447 (2020/21: £nil). 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 £277,000 (2020/21: £267,000).

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

**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (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
<b>Cost:</b>								
At 1 April 2021	1,585	7,036	-	8,621	1,585	6,877	-	8,462
Additions/Adjustments	323	281	-	604	323	281	-	604
Disposals	-	(14)	-	(14)	-	(14)	-	(14)
At 31 March 2022	<b>1,908</b>	<b>7,303</b>	<b>-</b>	<b>9,211</b>	<b>1,908</b>	<b>7,144</b>	<b>-</b>	<b>9,052</b>
<b>Accumulated Depreciation:</b>								
At 1 April 2021	1,411	5,284	-	6,695	1,411	5,257	-	6,668
Charge for the period	27	345	-	372	27	337	-	364
Disposals	-	(14)	-	(14)	-	(14)	-	(14)
At 31 March 2022	<b>1,438</b>	<b>5,615</b>	<b>-</b>	<b>7,053</b>	<b>1,438</b>	<b>5,580</b>	<b>-</b>	<b>7,018</b>
<b>Net Book Amounts</b>								
At 31 March 2022	<b>470</b>	<b>1,688</b>	<b>-</b>	<b>2,158</b>	<b>470</b>	<b>1,564</b>	<b>-</b>	<b>2,034</b>
At 31 March 2021	174	1,752	-	1,926	174	1,620	-	1,794

**14 Heritage assets**

During the period additions of £65,000 (2020/21: £11,000) were added to the collection.

**Five year financial summary of heritage asset transactions**

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Opening balance b/fwd	10,100	10,089	9,649	9,622	9,672
Acquisitions	65	11	474	43	48
Disposal	-	-	(34)	(16)	(98)
Closing balance c/fwd	<b>10,165</b>	<b>10,100</b>	<b>10,089</b>	<b>9,649</b>	<b>9,622</b>

At the balance sheet date the book value of the charity's heritage assets was £10,165,000 (2020/21: £10,100,000), of which £765,000 (2020/21: £765,000) was held in donated asset reserves.

## CHATSWORTH HOUSE TRUST

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 14 Heritage assets (continued)

##### Preservation and Management

The charity together with the trustees of the Chatsworth Settlement, employ a Collections Department which is responsible for the ongoing restoration and maintenance of the collection at Chatsworth. The collections team consists of twelve full-time and two 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 cost of this department is divided between the charity and the Chatsworth Settlement based on the nature of the activities of the staff.

The team utilises a sophisticated collections management system which is used to maintain a record of the condition, 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 2021/22 £87,000 was expended on restoration and maintenance of the collection (2020/21: £44,000).

#### 15 Investment properties

	2022 £000	2021 £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 the Chatsworth Settlement has reviewed that valuation as at 31 March 2022 and advised no change in the fair value.

#### 16 Investments

	General Fund £000	Art Purchases Fund £000	Total 2022 £000	Total 2021 £000
Market value at 1 April 2021	12,065	10,224	22,289	19,357
Acquired during the period , at cost	13,879	11,335	25,214	2,643
Disposal	(9,542)	(8,608)	(18,150)	(1,929)
Gains/(losses) during the period	(1,607)	(1,544)	(3,151)	2,691
Investment income	142	164	306	442
Management fees	(14)	(5)	(19)	(95)
Cash introduced (withdrawn)	(1,070)	(444)	(1,514)	(820)
Market value at 31 March 2022	13,853	11,122	24,975	22,289

During the year the charity appointed Sarasin & Partners LLP to be its investment manager. The investments held with the previous manager were all liquidated and proceeds transferred in cash to Sarasin.

**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****16 Investments (continued)**

	General Fund £000	Art Purchases Fund £000	Total 2022 £000	%	Total 2021 £000	%
£ Fixed interest	-	1,302	1,302	5.2%	748	3.3%
£ Index linked	-	-	-	-	314	1.4%
Other index linked	-	-	-	-	1,409	6.3%
Alternative investments	2,921	2,219	5,140	20.6%	618	2.8%
Equities	10,449	7,256	17,705	70.9%	8,530	38.4%
Liquid Assets	483	345	828	3.3%	-	-
Europe	-	-	-	-	256	1.1%
Rest of the World	-	-	-	-	8,828	39.6%
Other securities	-	-	-	-	359	1.6%
Cash	-	-	-	-	1,227	5.5%
<b>Total market value</b>	<b>13,853</b>	<b>11,122</b>	<b>24,975</b>	<b>100.0%</b>	<b>22,289</b>	<b>100.0%</b>
<b>Cost</b>	<b>13,663</b>	<b>11,134</b>	<b>24,797</b>		<b>17,733</b>	

	as at 31 March 2022			Total
	Level 1 £000	Level 2 £000	Level 3 £000	£000
Listed stocks or collective investment vehicles	24,975	-	-	24,975
Accrued interest	-	-	-	-
Cash	-	-	-	-
<b>Market value at 31 March 2022</b>	<b>24,975</b>	<b>-</b>	<b>-</b>	<b>24,975</b>

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

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.

**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****16 Investments (continued)**

Investments in subsidiary and associated undertakings

	Country of incorporation	Principal activity	Holding	Net assets/ (liabilities)	Profit/ (loss) for period
Chatsworth House Enterprises Limited	United Kingdom	Trading activities	100%	£1	£183,970

**17 Stocks**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Stores	51	52	51	52
Livestock	23	17	23	17
	<b>74</b>	<b>69</b>	<b>74</b>	<b>69</b>

**18 Debtors**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Trade debtors	423	264	47	24
Amounts due from related undertakings	56	78	56	78
Bad debt provision	(6)	(25)	(6)	(25)
	<b>473</b>	<b>317</b>	<b>97</b>	<b>77</b>
Amounts due from group companies	-	-	167	198
Prepayments and accrued income	1,366	1,256	1,113	1,036
	<b>1,839</b>	<b>1,573</b>	<b>1,377</b>	<b>1,311</b>

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

**19 Creditors – Amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Amounts falling due within one year:				
The Chatsworth Settlement	823	2,418	823	2,418
Other trade creditors	557	234	468	214
Deferred income	418	481	418	480
Accruals	2,311	1,466	1,766	1,056
Other taxation and social security	-	55	-	55
	<b>4,109</b>	<b>4,654</b>	<b>3,475</b>	<b>4,223</b>

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.

## CHATSWORTH HOUSE TRUST

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 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 2021	481
Total received in year for annual memberships	722
Amounts related to current year	(785)
<b>Balance as at 31 March 2022</b>	<b>418</b>

#### 21 Analysis of group net assets between funds

	General Fund £000	Art Purchases Fund £000	Donated Asset Reserve £000	Other Restricted Funds £000	2022 £000
Tangible fixed assets	3,146	8,273	765	139	12,323
Investment properties	2,680	-	-	-	2,680
Investments	13,853	11,122	-	-	24,975
Cash at bank and in hand	179	-	-	-	179
Net current (liabilities)/assets	(2,443)	372	-	(125)	(2,196)
Unfunded pension scheme liability	(11,515)	-	-	-	(11,515)
	<b>5,900</b>	<b>19,767</b>	<b>765</b>	<b>14</b>	<b>26,446</b>

	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)
	<b>2,441</b>	<b>19,176</b>	<b>765</b>	<b>9</b>	<b>22,391</b>

## CHATSWORTH HOUSE TRUST

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 22 General Fund

The charity's General Fund was established by gifts from the 11<sup>th</sup> Duke of Devonshire, the 12<sup>th</sup> 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 2021	3,238	(797)	2,441
Unrealised losses on investments	(1,607)	-	(1,607)
Actuarial gains on unfunded pension scheme liability	-	486	486
Realised gains on investments	-	2,269	2,269
Net incoming resources	-	2,311	2,311
Transfer between reserves	(1,441)	1,441	-
<b>At 31 March 2022</b>	<b>190</b>	<b>5,710</b>	<b>5,900</b>

Comparative figures from 2020/21	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
Actuarial losses on unfunded pension scheme liability	-	(3,694)	(3,694)
Realised gains on investments	-	311	311
Net outgoing resources	-	(2,769)	(2,769)
Transfer between reserves	(119)	119	-
<b>At 31 March 2021</b>	<b>3,238</b>	<b>(797)</b>	<b>2,441</b>

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.



**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****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.

	<b>Revaluation reserve £000</b>	<b>Revenue reserve £000</b>	<b>Total £000</b>
The reserves of the fund comprise:			
At 1 April 2021	1,818	17,358	19,176
Unrealised losses on investments	(1,544)	-	(1,544)
Realised gains on investments	-	1,976	1,976
Net incoming resources	-	159	159
Transfer between funds	(285)	285	-
<b>At 31 March 2022</b>	<b>(11)</b>	<b>19,778</b>	<b>19,767</b>
Comparative figures from 2020/21			
	<b>Revaluation reserve £000</b>	<b>Revenue reserve £000</b>	<b>Total £000</b>
The reserves of the fund comprise:			
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	-
<b>At 31 March 2021</b>	<b>1,818</b>	<b>17,358</b>	<b>19,176</b>

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.

## CHATSWORTH HOUSE TRUST

### Notes to the financial statements for the year ended 31 March 2022 (continued)

#### 24 Restricted Funds

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

	Archives Revealed	Seahorse Fountain	RPA (Tree Planting)	National Manuscripts	Idlewild conservation	Arts Council - Radical Horizons	Total
The reserves of the							
At 1 April 2021	-	8	1	-	-	-	9
Income	21	-	-	4	5	59	89
Expenditure	(21)	-	-	-	(4)	(59)	(84)
<b>At 31 March 2022</b>	<b>-</b>	<b>8</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>-</b>	<b>14</b>

The grants received from both National Manuscripts and Idlewild Conservation are toward the conservation of items in The Devonshire Collections. The Arts Council grant is to support learning opportunities around the Radical Horizons exhibition.

	Historic Houses-Risk Response Fund	Seahorse Fountain	RPA (Tree Planting)	Total
Comparative figures for 2020/21				
The reserves of the fund comprise:				
At 1 April 2020	-	8	1	9
Income	190	-	-	190
Expenditure	(190)	-	-	(190)
<b>At 31 March 2021</b>	<b>-</b>	<b>8</b>	<b>1</b>	<b>9</b>

#### 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 Meteor £000	Total £000
The reserves of the fund comprise:		
At 1 April 2021	765	765
Income	-	-
Expenditure	-	-
Transfer between funds	-	-
<b>At 31 March 2022</b>	<b>765</b>	<b>765</b>

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 2022 (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 £131,000 (2020/21: £111,000).

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 £342,000 (2020/21: £291,000).

In 2021/22 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 2022.

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 2022.

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

	2022	2021
Discount rate	2.6%	2.0%
Salary inflation	3.5%	3.2%

The amounts recognised in the balance sheet are as follows:

	2022 £000	2021 £000
Present value of unfunded obligations	11,515	11,991
Deficit in the scheme	11,515	11,991

#### 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	(486)	3,694
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**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****26 Pensions (continued)**

	2022 £000	2021 £000
<b>Changes in the present value of the defined benefit obligation are as follows</b>		
Opening defined benefit obligation	11,991	8,273
Actuarial (gains)/losses	(486)	3,694
Interest cost	237	187
Service cost	115	128
Benefits paid	(342)	(291)
<b>Closing defined benefit obligation</b>	<b>11,515</b>	<b>11,991</b>

**27 Related party transactions**Devonshire Educational Trust

The Devonshire Educational Trust was a related party as the Duke of Devonshire, the chairman of the Chatsworth House Trust, was a trustee of The Devonshire Educational Trust. The charity made donations in the period of £6,656 (2020/21: £50,657) to The Devonshire Educational Trust. As from September 2021, The Devonshire Educational Trust merged with the charity and has now become the Learning and Engagement department of Chatsworth House Trust.

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 £9,015 (2020/21: £255,172).

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 (2020/21: £nil).

Transactions with Council Members

Members of the Council were reimbursed for travel expenses amounting to £447 (2020/21: £nil).

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 (2020/21: £75,000) was received. A rent review is due and is currently underway for which the Council has engaged Hugh Maxfield, a partner in Fisher German LLP, to prepare a valuation report. Any uplift in rent will be backdated to 1 April 2021.

## CHATSWORTH HOUSE TRUST

### Notes to the financial statements for the year ended 31 March 2022 (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, who served as Council Member until 15<sup>th</sup> April 2021 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 £4,430,857 (2020/21: £4,333,476).

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 £1,252,633 (2020/21: £1,090,893) 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 £98,668 (2020/21: £40,782). 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 £392,470 (2020/21: £370,200). Included in the management fee above is the maintenance and repair costs for this housing of £197,748 (2020/21: £117,119).

- **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 £791,969 (2020/21: £278,617) 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 £101,362 (2020/21: £63,299) 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 £22,700 (2020/21: £22,325).

**CHATSWORTH HOUSE TRUST****Notes to the financial statements for the year ended 31 March 2022 (continued)****27 Related party transactions (continued)**

The charity invoices the Duke of Devonshire the full costs of any private expenditure incurred. During the year £3,117 (2020/21: £8,375) was invoiced for gas and office costs.

	2022 £	2021 £
Amounts due (from)/to Chatsworth House Trust at 31 March 2022 with		
The Chatsworth Settlement	(823,427)	(2,418,151)
Duke of Devonshire	2,715	2,507
Devonshire Renewable Energy Ltd	(15,389)	(48,856)
Chatsworth Estate Trading	95,218	(3,612)
Devonshire Educational Trust	-	229
Devonshire Hotel Group	21,658	13,633
Elm Tree Farm	-	(1,152)

**28 Financial instruments**

	2022 £000	2021 £000
<b>Carrying amount of financial assets</b>		
Financial assets measured at fair value through net income/expenditure	24,975	22,289
Debt instruments measured at amortised cost	473	317
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,109	4,654

**29 Operating lease commitments**

There were no operating lease commitments as at 31 March 2021 and 31 March 2022.

**30 Reconciliation of cash and cash equivalents**

	2022 £000	2021 £000
Cash at bank and in hand	179	399
Cash held with investment manager	-	1,227
<b>Net funds at 31 March 2022</b>	179	1,626