

Registered number: 01541046
Charity number: 511149

CHATSWORTH HOUSE TRUST
COUNCIL OF MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CHATSWORTH HOUSE TRUST

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Council of Management and Advisers	1
Council of Management's Report	2 - 15
Independent Auditors' Report on the Financial Statements	16 - 19
Consolidated Statement of Financial Activities	20 - 21
Consolidated Balance Sheet	22 - 23
Charity Balance Sheet	24 - 25
Consolidated Statement of Cash Flows	26
Notes to the Financial Statements	27 - 58

CHATSWORTH HOUSE TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS COUNCIL OF MANAGEMENT AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

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 Dr R N Cullinan
Company number	01541046
Charity number	511149
Registered office	The Estate Office Edensor Bakewell Derbyshire DE45 1PJ
Key management personnel	Director of Chatsworth House Trust - Mrs J Marriott Chief Executive Officer, Devonshire Group - Mr S G Vickers Chief Finance Officer for the Devonshire Group - Mr A C Lavery Chief Operating Officer - Mr E A D Cadogan
Secretary	Mr A C Lavery
Independent auditors	Shorts Chartered Accountants 2 Ashgate Road Chesterfield Derbyshire S40 4AA
Bankers & Investment advisors	The Royal Bank of Scotland Plc The Square Bakewell Derbyshire DE45 1BT Sarasin & Partners LLP 100 St Paul's Churchyard London EC4M 8BU
Solicitors	Currey & Co LLP 33 Queen Anne Street London W1G 9HY

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

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 2023, which are also prepared to meet the requirement for a directors' report and accounts for Companies Act purposes.

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

Structure, governance and management

Constitution

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

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

Group Structure

Chatsworth House Trust has 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 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 12th 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
Dr R N Cullinan

* 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.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

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.

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.

Organisational structure and decision making

The Council meets formally three times 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. In the current financial year, the Charity appointed its first full time Director, Jane Marriott.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)



Mr Perks and Mr Fane are members of the Finance, Audit and Conflicts Committee. Mr Monson remains a member of the Committee following his resignation from the Council in 2021. This committee meets formally twice per year and at other times if necessary. Mr Vickers, Mr Lavery, Mrs Marriott and Mr Cadogan are in attendance for the meetings of this committee.

An Investment Committee was created for the wider Devonshire Group to oversee the activities of the third party investment manager. Lord Burlington and Mr Fane are members of this committee. Mr Vickers and Mr Lavery are in attendance for the meetings of this committee.

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

Council receives regular reports from and reviews the work of the Group Chief Executive and his team, who manage the charity's activities, and make such recommendations as they feel appropriate. The Group Chief Executive is supported by the Charity Director, the Chatsworth Chief Operating Officer and Group wide functions, including Finance, Marketing, HR and Safety.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 included extensive works to clean and restore the external façade of the building and the bastion wall, substantially improving its overall appearance.

The charity allows free public access into 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 and has done so since then.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

In 2022, the charity held an 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 were not our usual visitors.

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 talks, research visits, welcome visitors and enquiries, facilitating access to elements of the collection not on public display. Our Conservation Team continued to deliver a programme of preventive conservation, both to objects in store and on display including regular cleaning of our modern and contemporary sculptures in the garden. We have a vibrant loans programme to national and international venues which increases access to the Devonshire collections to millions of visitors worldwide. Significant loans for 2022/23 included several works by Lucien Freud travelling to venues such as the National Gallery, London for Lucian Freud: New Perspectives and the Garden Museum, London for Lucian Freud: Plant Portraits both exhibitions marking 100 years since the artist's birth.

Chatsworth's cultural programme embraces fine and decorative arts, outdoor sculpture, exhibitions, artistic commissions and residencies. Chatsworth has always been a centre for artistic endeavour and we continue to work with artists who research, draw inspiration from and make new work here. Presented year-round in both the house and garden, we aim to provide new engaging and stimulating experiences for our visitors. Living with Art We Love; an exhibition presented by the Duke and Duchess of Devonshire was the major exhibition throughout the house in 2022. The exhibition celebrated the collection and commissions made by the Duke and Duchess throughout their lives together. It also included rarely seen historic works from the collection. The selection of works was made by the Duke and Duchess and shone a particular light on their interests in ceramics, furniture, design as well as sculpture, drawing and painting. Over 600 objects were included in the house to showcase a lifetime spent living with art that they have loved. New commissions were also part of the display. Irish furniture designer Joseph Walsh installed new sculptural brackets for the South Sketch Gallery. Nearby, on the North Sketch Gallery was a new suite of jewellery designed by Tarka Kings and which took on tiny sculptural form when displayed in miniature versions of a Chatsworth interior and the garden. Also part of 2022 displays was Freud at Chatsworth with the West Sketch Gallery showcasing a display of all the works by Lucian Freud in the Devonshire Collection. Celebrating the centenary of Freud's birth, the display gave the opportunity to see the breadth of paintings, drawings and prints across the span of the artist's lifetime. We were fortunate to borrow two works for the display which had left the collection, but returned here to be reunited with old friends.

Our Christmas theme for 2022 was Deep Midwinter: A Nordic Christmas at Chatsworth: 5 November 2022 – 8 January 2023. The theme was inspired by folklore and traditions of the Arctic and Nordic regions. The rooms featured scenes based on Nordic fairy tales including The White Bear, The Little Fir Tree, The Snowdrop and The Teapot. Highlights on the route included a specially-commissioned wall of ice in the Oak Room, an indoor woodland inspired by ancient pine forests in the Sculpture Gallery, and an opulently dressed dining room table enshrouded in dense woodland foliage. This year saw the return of interactive elements including wish trees, actors on the route, and a Christmas themed photo opportunity for visitors inside a giant snowball as Covid receded. The theme was anchored around objects from the collection, including items of winter clothing worn by the 11th Duke of Devonshire, publications of botanical illustrations, and a selection of gems and minerals found in Nordic countries, including a rare strand of raw silver collected by the 6th Duke of Devonshire and originating from Norway.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Learning at Chatsworth

The activities of Learning and Engagement department are focused on the themes of arts, heritage and environment, all of which sit within our strategic ambition to widen participation; to connect with families, young people and communities and to create a year-round, life-long learning programme.

Between April 2022 and March 2023 we worked with

- 14,000 school pupils and students
- 2,000 participants in new adult learning programme
- 500 children in family programme
- 325 school and educational groups

The following learning projects and initiatives were delivered:

Arts Engagement

Schools: Almost 500 school children helped create three new sculptures as part of the Radical Horizons exhibition. The artists worked with five primary schools and young people supported by the Derbyshire Virtual School – a statutory service supporting those involved in the education of children in care.

Families took part in Art in the Park activities over the summer holidays. These free, drop-in sessions were delivered across the park and included ink printing, cyanotype printing and scraffiti (a technique involving scratching a pre-prepared surface to reveal colours beneath it). Such was its popularity that we plan to continue free, accessible family engagement in the park in future years.

With support from the Art Fund, seven young people were offered paid opportunities to work as Young Ambassadors in the park, engaging with visitors in the landscape. The students came from a range of colleges and universities and had a tailored programme of personal development. Each Ambassador created ideas for engagement including origami animals in the Welcome Hub, constructing land art with foraged materials and creative writing.

Landscape Engagement

The Stickyard is our centre for outdoor learning – our programme of landscape engagement is supported by the Ernest Cook Trust.

Alongside a school programme covering topics including climate change, pollination and understanding where food comes from, a new family programme was launched in 2022 and featured fire-pit bake-offs, woodland hikes and the communal building of 'Buggingham Palace' for the Platinum Jubilee.

In February we launched Little Pips, a gardening club for under-fives. The children helped prepare, sow, grow and harvest a range of fruit, vegetables and flowers.

In Summer 2022 we ran bumblebee safaris and butterfly walks. Children learned about the importance of these pollinators and were taught to identify different species. Our bats and beasties walks encouraged families to discover Chatsworth's wildlife after dark. Using bat detectors, participants learned to locate bats and identify different species. Families were also able to listen to owls and spot deer by torch light.

For a new What Nature Means to Me engagement project, two schools from Chesterfield and Sheffield with higher-than-average levels of free school meals were invited to Chatsworth. Each school brought 60 students to spend the day learning about trees and pollinators, while also enjoying a visit to the farmyard. The Learning & Engagement team then visited each school for an outreach session, taking fruit trees for the school grounds and making bee bombs with the students.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

Chatsworth and Me

In collaboration with Derby College, we welcomed students on the Lexis programme of English for Speakers of Other Languages (ESOL) to visit and write personal responses to objects or spaces around Chatsworth. A multi-disciplinary collective of tutors, mentors, artists and advisors provided support to the students who were given creative freedom to draw their own interpretations from what inspired them.

Many of the students were refugees and asylum seekers who had recently arrived in the UK, and they found much at Chatsworth to inspire thoughts of home. Decorations and table settings in the Great Dining Room prompted many connections for participants who wrote of family celebrations, food and happy memories. The garden, the chapel and the library spoke to other students who wrote of getting lost in a good book, prayer or remembering native flowers. The writers were paired with illustration students from Derby College to produce art to enhance the words on the page. Photography students were also commissioned to document the trips and their thoughtful shots appear in the Chatsworth & Me book. All of the works were exhibited at the Roundhouse, Derby College in July 2022.

Access

One of the biggest barriers to visiting schools is the cost of transport. With the support of our travel subsidy fund we welcomed 30 schools and over 1,500 pupils in 2022.

Looking ahead

After the successful delivery of Art in the Park during Radical Horizons, this will become an annual feature for our summer programme.

Following the success of Little Pips, we launched Seedlings, an afterschool gardening club for older children and Squirrels, a weekend gardening club for children with autism and/or special educational needs.

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.

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. These events are attended by over 130,000 people, and the Chatsworth Country Fair has been free for children since the event started 40 years ago.

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 and Chatsworth has been the home of the Derbyshire Charity Clay Shoot for some years now.

Chatsworth offers a complimentary Associate scheme, aimed at supporting local third sector organisations. There are 5 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. In addition, 436 House, Garden & Farmyard tickets were provided to displaced Ukrainian families during the 2022/23 season in conjunction with the Association of Ukrainians in Great Britain.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

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

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

Visitor Numbers

The number of visitors to Chatsworth for the year ended to 31 March 2023 compared with 4 prior periods was as follows:

	2023	2022	2021	2020	2019
Visitor Numbers	600,471	573,686	304,001	580,528	614,679

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 charity's capacity restrictions which has seen visitor numbers back at pre-pandemic levels

For the year ended 31 March 2024, visitor numbers are expected to be at a similar level.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

Special events and activities

The attendance and feedback from the various events that the charity organised and hosted, such as the annual Horse Trials, Country and Christmas Fairs, the series of concerts and the bonfire night in the grounds was good. The charity acquired works of art during the year to the value of £1,000 (2022: £65,000) 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 project is for a substantial renovation of the Cascade. The 18 month Development Phase is currently underway after a successful funding application to the National Lottery Heritage Fund.

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 £1,581,000 for the year incurred from its activities as compared £2,475,000 in 2022. Of this, net incoming resources of £1,445,000 were received in the General Fund, £137,000 received in the Art Purchases Fund, £21,000 was expended in the Restricted Funds and no movement in the Donated Asset Reserve.

Incoming resources

The charity had four principal sources of income in 2022/23.

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 69% (2021/22: 72%) of the charity's total incoming resources in 2022/23.

The second main income stream is trading activities which includes events operated by our subsidiary company Chatsworth House Enterprises Limited £2,240,000 (2021/22: £355,000), franchise income £913,000 (2021/22: £792,000), sponsorship of events and exhibitions £389,000 (2021/22: £481,000) and other income £781,000 (2021/22: £703,000).

The third main income stream is from sponsorship and donations amounting to £630,000 (2021/22: £1,061,000).

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% (2021/22: 99%) of total resources expended (see note 10).

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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

Performance review:

At the end of 2021, inflation was beginning to take hold around the globe which was beginning to unsettle markets. In February 2022, Russia's invasion of Ukraine compounded inflation fears and further unsettled markets. Central banks in most economies reacted to the higher inflation numbers by raising interest rates. During the calendar year 2022, world equity markets fell by 16% (MSCI World) and Sterling bonds fell by 23% (ICE BofA £ Index). Some recovery was seen in both equity and bond markets in the first quarter of 2023.

The total return generated by the General fund during the year was -5.4%. compared with benchmark total returns of +0.2%. The total return generated by the Art Purchases Fund during the year was -6.0% compared with the benchmark total returns of +0.2%. In the light of the unusual market conditions, the Investment Committee agreed to meet quarterly to review the investment manager performance. The Committee noted that during the first half of 2022 the best performing and one of the few positive asset classes had been energy / oil + gas, and that in 2023, much of the rise in the world equity index had been generated by the top 5-7 stocks. In addition, the Committee had noted that the benchmarks for both funds contained a significant weighting to Sonia which in the short term would be difficult to achieve.

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 £104,000 (2021/22: £142,000) from its portfolio and £183,000 (2021/22: £183,000) from its property investments. In addition, the fund incurred realised and unrealised losses of £896,000 (2021/22: £662,000 gain) during the year from its investment portfolio.

The Art Purchases Fund received investment income of £136,000 (2021/22: £164,000) from its investment portfolio. In addition, the fund incurred realised and unrealised losses of £850,000 (2021/22: £432,000 gain).

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Overall result

After accounting for realised and unrealised losses on investments and on the pension scheme obligations, the total increase in funds was £2,646,000 compared to the £4,055,000 in 2021/22. Of this increase, £3,364,000 (2021/22: £3,459,000) related to the General Fund, £713,000 decrease (2021/22: £591,000 increase) to the designated Art Purchases Fund, £5,000 (2021/22: £5,000 decrease) decrease to the Restricted Funds and £nil (2021/22: £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 and grow a living collection of art;
- An ongoing liability for repairs and maintenance.

The charity had total reserves at the year-end of £29,093,000 (2021/22: £26,446,000). These include unrestricted income funds (The General Fund and Art Purchases Fund) of £28,318,000 (2021/22: £25,667,000). The Council also monitors its "Free Reserves" position. Free reserves as at 31 March 2023 amounted to: £6,372,000 (2021/22: £2,754,000). Free reserves comprise assets that are available for expenditure in furtherance of the overall objects of the charity and the figure therefore excludes the designated 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 29 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 159 (2021/22: 153). There were four 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 £17,961 (2021/22: seven staff members earning more than £60,000 with pension contributions of £38,656).

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

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

Plans for the Future

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

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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.

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.

CHATSWORTH HOUSE TRUST

**COUNCIL OF MANAGEMENT'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Greenhouse gas emissions

We are committed to reducing the impact of activities on the environment. One of the measures in achieving this is through the reduction of our greenhouse gas emissions.

There are three different classification of greenhouse gas emissions known as Scopes.

- Scope 1: Direct emissions occurring from sources owned or controlled by the charity.
- Scope 2: Indirect emissions resulting from the electricity consumed.
- Scope 3: Other indirect emissions which occur as a consequence of our activity.

	2023		2022	
	mWh	Tonnes CO2e	mWh	Tonnes CO2e
Scope 1 emissions:				
Gas	1,569	286	1,128	207
Vehicle fuel (diesel and petrol)	497	120	318	80
	2,066	406	1,446	287
Scope 2 emissions:				
Electricity (grid)	603	117	373	79
Electricity (bought direct - hydro and CHP)	1,163	390	1,123	363
Heating on district heat network	2,126	418	2,246	481
	3,892	925	3,742	923
Scope 3 emissions:				
Visitor transport		7,744		9,265
Supply chain		1,166		601
		8,910		9,866
Totals	5,958	10,241	5,188	11,076
Carbon intensity (Tonnes CO2e per £ of Income)		0.59		0.79

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.

CHATSWORTH HOUSE TRUST

COUNCIL OF MANAGEMENT'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of Council of Management's responsibilities

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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and charitable company will continue in business.

Qualifying indemnity provision

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

Disclosure of information to auditors

Each of the persons who are Council of Management at the time when this Council of Management's Report is approved has confirmed that:

- so far as that Council of Management is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Council of Management has taken all the steps that ought to have been taken as a Council of Management 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 in office. The designated Council of Management will propose a motion reappointing the auditors at a meeting of the Council of Management.

Approved by order of the members of the board of Council of Management on 14 November 2023 and signed on their behalf by:

DocuSigned by:



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Mr M W Fane

Member of the Council of Management

CHATSWORTH HOUSE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST

Opinion

We have audited the financial statements of Chatsworth House Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 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 2023 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.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Council of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 Council of Management with respect to going concern are described in the relevant sections of this report.

CHATSWORTH HOUSE TRUST

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Council of Management's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Council of Management's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council of Management's Report.

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

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

CHATSWORTH HOUSE TRUST

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

Responsibilities of trustees

As explained more fully in the Council of Management's Responsibilities Statement, the Council of Management (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council of Management 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 Council of Management 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

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.

CHATSWORTH HOUSE TRUST

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

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.

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
- reviewing legal expenditure and the incident log for evidence of any 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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

DocuSigned by:

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Howard Freeman BSc FCA (Senior Statutory Auditor)

for and on behalf of

Shorts

Chartered Accountants

Statutory Auditor

2 Ashgate Road

Chesterfield

Derbyshire

S40 4AA

14 November 2023

CHATSWORTH HOUSE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

		Unrestricted funds 2023 £000	Restricted funds 2023 £000	Donated asset reserve 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
	Note					
Income and endowments from:						
Donations and legacies	4	630	-	-	630	1,061
Charitable activities	5	12,019	-	-	12,019	10,055
Other trading activities	6	4,239	84	-	4,323	2,331
Investments	7	434	-	-	434	489
Total income and endowments		17,322	84	-	17,406	13,936
Expenditure on:						
Raising funds	8	2,165	-	-	2,165	790
Charitable activities	9	13,576	104	-	13,680	10,671
Total expenditure		15,741	104	-	15,845	11,461
Net income/ (expenditure) before net (losses)/gains on investments		1,581	(20)	-	1,561	2,475
Net (losses)/gains on investments		(1,746)	-	-	(1,746)	1,094
Net (expenditure)/ income		(165)	(20)	-	(185)	3,569
Transfers between funds	21	(15)	15	-	-	-
Net movement in funds before other recognised gains		(180)	(5)	-	(185)	3,569
Other recognised gains:						
Gains/(losses) on investment properties	16	320	-	-	320	-
Actuarial gain / (loss) on pension scheme	23	2,831	-	-	2,831	486
Net movement in funds		2,971	(5)	-	2,966	4,055

CHATSWORTH HOUSE TRUST

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

	Unrestricted funds	Restricted funds	Donated asset reserve	Total funds	<i>Total funds</i>
	2023	2023	2023	2023	2022
Note	£000	£000	£000	£000	£000
Reconciliation of funds:					
Total funds brought forward	25,667	14	765	26,446	22,391
Net movement in funds	2,971	(5)	-	2,966	4,055
Total funds carried forward	<u>28,638</u>	<u>9</u>	<u>765</u>	<u>29,412</u>	<u>26,446</u>

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 58 form part of these financial statements.

CHATSWORTH HOUSE TRUST
REGISTERED NUMBER: 01541046

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	2,211	2,158
Heritage assets	15	10,166	10,165
Investments	17	23,460	24,975
Investment property	16	3,000	2,680
		<u>38,837</u>	<u>39,978</u>
Current assets			
Stocks	18	94	74
Debtors	19	1,325	1,839
Cash at bank and in hand		1,475	179
		<u>2,894</u>	<u>2,092</u>
Creditors: amounts falling due within one year	20	(3,595)	(4,109)
Net current liabilities		<u>(701)</u>	<u>(2,017)</u>
Net assets excluding pension liability		<u>38,136</u>	<u>37,961</u>
Defined benefit pension scheme liability	23	(8,723)	(11,515)
Total net assets		<u><u>29,413</u></u>	<u><u>26,446</u></u>
Charity funds			
Donated asset reserve	21	765	765
Restricted funds	21	9	14
Unrestricted funds			
Designated funds - art purchase fund	21	19,055	19,767
General funds	21	9,584	5,900
Total unrestricted funds	21	<u>28,639</u>	<u>25,667</u>
Total funds		<u><u>29,413</u></u>	<u><u>26,446</u></u>

CHATSWORTH HOUSE TRUST
REGISTERED NUMBER: 01541046

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Council of Management acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Council of Management on 14 November 2023 and signed on their behalf by:

DocuSigned by:

M W Fane

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Mr M W Fane

Member of the Council of Management

The notes on pages 27 to 58 form part of these financial statements.

CHATSWORTH HOUSE TRUST
REGISTERED NUMBER: 01541046

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	14	2,095	2,034
Heritage assets	15	10,166	10,165
Investments	17	23,460	24,975
Investment property	16	3,000	2,680
		<u>38,721</u>	<u>39,854</u>
Current assets			
Stocks	18	94	74
Debtors	19	1,064	1,377
Cash at bank and in hand		1,343	131
		<u>2,501</u>	<u>1,582</u>
Creditors: amounts falling due within one year	20	(3,086)	(3,475)
Net current liabilities		<u>(585)</u>	<u>(1,893)</u>
Net assets excluding pension liability		<u>38,136</u>	<u>37,961</u>
Defined benefit pension scheme liability	23	(8,723)	(11,515)
Total net assets		<u><u>29,413</u></u>	<u><u>26,446</u></u>
Charity funds			
Donated asset reserve	21	765	765
Restricted funds	21	9	14
Unrestricted funds			
Designated funds - art purchase fund	21	19,055	19,767
General funds	21	9,584	5,900
Total unrestricted funds	21	<u>28,639</u>	<u>25,667</u>
Total funds		<u><u>29,413</u></u>	<u><u>26,446</u></u>

CHATSWORTH HOUSE TRUST
REGISTERED NUMBER: 01541046

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The Charity's net movement in funds for the year was £2,966,000 (2022 - £4,055,000).

The Council of Management acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Council of Management on 14 November 2023 and signed on their behalf by:

DocuSigned by:



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Mr M W Fane

Member of the Council of Management

The notes on pages 27 to 58 form part of these financial statements.

CHATSWORTH HOUSE TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash generated from operating activities	26	1,513	1,552
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		23	-
Purchase of tangible fixed assets		(444)	(669)
Proceeds from sale of investments		10	22,395
Purchase of investments		(205)	(25,214)
Income from investments		434	489
Net cash used in investing activities		(182)	(2,999)
Change in cash and cash equivalents in the year		1,331	(1,447)
Cash and cash equivalents at the beginning of the year		179	1,626
Cash and cash equivalents at the end of the year	27	1,510	179

The notes on pages 27 to 58 form part of these financial statements

CHATSWORTH HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The Charity is a private company limited by guarantee, incorporated in England and Wales (company registered number: 01541046, charity registered number: 511149). Its registered office is The Estate Office, Edensor, Bakewell, Derbyshire, DE45 1PJ. The principal activities of the Charity are detailed in the trustee report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Chatsworth House Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.3 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

Support costs are those costs incurred directly in support of expenditure on the objects of the Charity and include project management carried out centrally. Governance costs are those incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Financial Activities.

CHATSWORTH HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Long-term leasehold property	- Leasehold property - Term of lease Stables restaurant, bar and meeting room - 25 years straight line Farmyard building and adventure playground - 10 years straight line Other building - 25 years straight line
Equipment and vehicles	- 3-10 years straight line - Turbines 15 years straightline

2.7 Heritage assets

Where heritage assets have been purchased, they are initially recognised at cost and are not depreciated. After recognition, under the cost model, heritage assets are reviewed for impairment at the reporting end date. To date no impairments have occurred on capitalised heritage assets. Revaluations are not performed as the Council of Management does not consider doing so would add meaningfully to the understanding of the charity's financial position.

The charity also owns historic archives that have been donated to it. The archives are held at £Nil value on the basis that it is extremely difficult to place a meaningful value upon them.

In addition to the above there are items not belonging to the charity but which are held by the charity by way of a long term loan for nominal consideration for a term identical to the lease of the House. This loan covers many of the objects currently displayed in areas open to the public within Chatsworth House and Gardens. Under the terms of the loan and subject to the agreement of the Council of Management, chattels subject to the loan can be removed from the loan provided that they are replaced by an item or items that are deemed to be of equal or greater value, public interest or heritage importance. The company does not recognise these loaned chattels on its Balance Sheet.

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.8 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

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

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

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

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

2.9 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 Estate Director for the Chatsworth Settlement based on his assessment of the market at that 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.

2.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchase on a first in, first out basis.

2.11 Debtors

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

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.13 Liabilities and provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated Statement of Financial Activities as a finance cost.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The Group operates a defined benefits pension scheme. 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 is recognised on the Balance Sheet.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Council of Management in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Council of Management for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

CHATSWORTH HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

(i) 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 23 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 2023 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.

(ii) Tangible fixed assets - Art

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

(iii) 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 2023**

4. Income from donations and legacies

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Staff/pensioner housing	378	378	392
Other donations and legacies	252	252	669
	<hr/> 630 <hr/>	<hr/> 630 <hr/>	<hr/> 1,061 <hr/>
<i>Total 2022</i>	<hr/> 1,061 <hr/>	<hr/> 1,061 <hr/>	

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.

5. Income from charitable activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Amounts receivable from admissions	12,019	12,019	10,055
	<hr/> 10,055 <hr/>	<hr/> 10,055 <hr/>	
<i>Total 2022</i>	<hr/> 10,055 <hr/>	<hr/> 10,055 <hr/>	

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Income from park events	2,240	-	2,240	355
Rental income (see note 29)	913	-	913	792
Other income	1,086	84	1,170	1,184
	<u>4,239</u>	<u>84</u>	<u>4,323</u>	<u>2,331</u>
<i>Total 2022</i>	<u>2,242</u>	<u>89</u>	<u>2,331</u>	

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.

7. Investment income

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Income - quoted investments			
UK Fixed interest stocks	-	-	6
UK Equities	240	240	286
Overseas stocks	-	-	14
Other UK bank interest	11	11	-
Income from UK properties	183	183	183
Total 2023	<u>434</u>	<u>434</u>	<u>489</u>
<i>Total 2022</i>	<u>489</u>	<u>489</u>	

Of the above amounts included in unrestricted funds £297,000 (2022: £325,000) were allocated to the general fund and £137,000 (2022: £164,000) to the Art Purchase Fund

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Expenditure on raising funds

Subsidiary trading expenses

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Admissions expenses	26	26	88
Expenses of park events	1,935	1,935	557
Maintenance of the garden, park and woods	182	182	114
Allocation of support costs (see note 10)	2	2	2
Allocation of governance costs (see note 10)	11	11	10
	<hr/> 2,156 <hr/>	<hr/> 2,156 <hr/>	<hr/> 771 <hr/>
<i>Total 2022</i>	<hr/> 771 <hr/>	<hr/> 771 <hr/>	

Investment management costs

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Investment fees	9	9	19
	<hr/> 9 <hr/>	<hr/> 9 <hr/>	<hr/> 19 <hr/>
<i>Total 2022</i>	<hr/> 19 <hr/>	<hr/> 19 <hr/>	

Investment fees includes expenditure of £10,000 for the General Fund (2022: £14,000) and income of £1,000 due to rebates for the Art Purchase Fund (2022: expenditure of £5,000).

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. Analysis of expenditure on charitable activities

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Total 2023 £000	<i>Total 2022 £000</i>
Admissions expenses	3,670	6	3,676	2,806
Expenses of park events	725	61	786	545
Maintenance of the art collection	387	22	409	344
Maintenance of the garden, park and woods	1,482	-	1,482	1,163
General upkeep of the house and stables	2,269	15	2,284	1,935
Repair expenditure	550	-	550	385
General insurance	310	-	310	292
Management rents	378	-	378	392
Allocation of support costs (see note 10)	3,543	-	3,543	2,572
Allocation of governance costs (see note 10)	201	-	201	178
Preservation and maintenance (see note 10)	61	-	61	59
	<hr/> 13,576 <hr/>	<hr/> 104 <hr/>	<hr/> 13,680 <hr/>	<hr/> 10,671 <hr/>
<i>Total 2022</i>	<hr/> <i>10,573</i> <hr/>	<hr/> <i>98</i> <hr/>	<hr/> <i>10,671</i> <hr/>	

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Analysis of governance and support costs

	2023	<i>2022</i>
	£000	<i>£000</i>
Management charge	1,895	<i>1,253</i>
Wages & salaries	1,006	<i>846</i>
Legal & professional	30	<i>65</i>
Depreciation	47	<i>57</i>
Other administrative	328	<i>193</i>
Service & interest cost on unfunded pension scheme	443	<i>352</i>
Secreterial fees	36	<i>27</i>
Audit fees	33	<i>28</i>
	<u>3,818</u>	<u><i>2,821</i></u>
Allocated:		
Charitable activities	3,545	<i>2,575</i>
Governance costs	212	<i>187</i>
Preservation and maintenance	61	<i>59</i>
	<u>3,818</u>	<u><i>2,821</i></u>

Included within legal and professional fees are amounts payable to the auditor of £2,500 (2022: £Nil) for non-audit services.

11. 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 2023**

12. Staff costs

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Wages and salaries	4,422	3,773	4,422	3,773
Social security costs	810	696	810	696
Contribution to defined contribution pension schemes	140	127	140	127
Operating costs of defined benefit pension schemes	443	352	443	352
	5,815	4,948	5,815	4,948

Included in wages and salaries are staff/pensioner housing costs totalling £378,000 (2022: £392,000)

Included in operating costs of defined benefit pension schemes are service costs totalling £149,000 (2022: £115,000) and interest costs totalling £294,000 (2022: £237,000).

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

The average monthly head count was 311 staff (2022: 283 staff).

The average number of full time equivalent persons employed by the Charity during the year was as follows:

	Group 2023 No.	<i>Group 2022 No.</i>
Administration and management	29	27
Domestic	11	11
Wardens	39	34
Maintenance	32	32
Gardens	29	30
Domain	7	6
Farm Yard	12	13
	159	153

CHATSWORTH HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2023 No.	Group 2022 No.
Four employees has employee benefits in excess of £60,000 (2022/23: seven)		
In the band £60,001 - £70,000	1	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	3

The key management personnel of the parent charity comprise the Chief Executive Officer of the Devonshire Group, the Chief Operating Officer, the Chief Financial Officer of the Devonshire Group and the Director of Chatsworth House Trust. The total employee benefits of the key management personnel of the parent charity total £345,000 (2022: £277,000).

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.

13. Trustees remuneration and expenses

No fee nor salary is paid to any Council member during the year (2022: £Nil). Council members were reimbursed for out of pocket expenses incurred during the period totalling £280 (2022: £447). As outlined in note 29, during the year Mr ERH Perks was also a partner in Currey & Co LLP which supplies legal services to the charity.

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets

Group

	Long-term leasehold property £000	Equipment and vehicles £000	Total £000
Cost or valuation			
At 1 April 2022	1,908	7,303	9,211
Additions	-	444	444
Disposals	-	(109)	(109)
At 31 March 2023	<u>1,908</u>	<u>7,638</u>	<u>9,546</u>
Depreciation			
At 1 April 2022	1,438	5,615	7,053
Charge for the year	37	351	388
On disposals	-	(106)	(106)
At 31 March 2023	<u>1,475</u>	<u>5,860</u>	<u>7,335</u>
Net book value			
At 31 March 2023	<u>433</u>	<u>1,778</u>	<u>2,211</u>
At 31 March 2022	<u>470</u>	<u>1,688</u>	<u>2,158</u>

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets (continued)

Charity

	Long-term leasehold property £000	Equipment and vehicles £000	Total £000
Cost or valuation			
At 1 April 2022	1,908	7,144	9,052
Additions	-	444	444
Disposals	-	(109)	(109)
At 31 March 2023	<u>1,908</u>	<u>7,479</u>	<u>9,387</u>
Depreciation			
At 1 April 2022	1,438	5,580	7,018
Charge for the year	37	343	380
On disposals	-	(106)	(106)
At 31 March 2023	<u>1,475</u>	<u>5,817</u>	<u>7,292</u>
Net book value			
At 31 March 2023	<u><u>433</u></u>	<u><u>1,662</u></u>	<u><u>2,095</u></u>
<i>At 31 March 2022</i>	<u><u>470</u></u>	<u><u>1,564</u></u>	<u><u>2,034</u></u>

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Heritage assets

Group and Charity

Assets recognised at cost

	Total 2023 £000
Carrying value at 1 April 2022	10,165
Additions	1
	<hr/> 10,166 <hr/>

At the balance sheet date the book value of the charity's heritage assets was £10,166,000 (2022: £10,165,000), of which £765,000 (2022: £765,000) was held in donated asset reserves.

Analysis of heritage asset transactions

Group and Charity

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000
Acquisitions	1	65	11	474	43
Disposals	-	-	-	(34)	(16)

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 2023, £61,000 was expended on restoration and maintenance of the collection (2022: £87,000).

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Investment property

Group and Charity

Investment properties held at fair value.

	Investment property £000
Valuation	
At 1 April 2022	2,680
Surplus on revaluation	320
	<hr/>
At 31 March 2023	3,000
	<hr/> <hr/>

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 2023 and advised an uplift in fair value of £320,000.

17. Investments

	General Fund £000	Art Purchase Fund £000	Total 2023 £000	<i>Total 2022 £000</i>
Market Value at 1 April 2022	13,853	11,122	24,975	22,289
Gains/(losses) during the period	(896)	(850)	(1,746)	1,093
Investment income	104	136	240	306
Management fees	(10)	1	(9)	(19)
Cash introduced / (withdrawn)	-	-	-	1,306
	<hr/>	<hr/>	<hr/>	<hr/>
Market Value at 31 March 2023	13,051	10,409	23,460	24,975
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Investments (continued)

	General Fund £000	General Fund £000	Total 2023 £000	%	Total 2022 £000	%
£ Fixed interest	-	1,260	1,260	5.4%	1,302	5.2%
Alternative Investments	2,511	1,873	4,384	18.7%	5,140	20.6%
Equities	10,281	6,986	17,267	73.6%	17,505	70.9%
Liquid Assets	259	254	513	2.2%	828	3.3%
Cash	-	36	36	0.2%	-	
Total market value	<u>13,051</u>	<u>10,409</u>	<u>23,460</u>	<u>100%</u>	<u>24,975</u>	<u>100%</u>
Cost	<u>13,698</u>	<u>11,235</u>	<u>24,933</u>		<u>24,797</u>	

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
As at 31 March 2023				
Listed stocks or collective investment vehicles	23,424	-	-	23,424
Cash	-	-	36	36
Market value at 31 March 2023	<u>23,424</u>	<u>-</u>	<u>36</u>	<u>23,460</u>

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
As at 31 March 2022				
Listed stocks or collective investment vehicles	24,975	-	-	24,975
Market value at 31 March 2022	<u>24,975</u>	<u>-</u>	<u>-</u>	<u>24,975</u>

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 regularly to review performance.

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	£401,555

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

18. Stocks

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Stores	64	51	64	51
Livestock	30	23	30	23
	94	74	94	74

19. Debtors

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Due within one year				
Trade debtors	196	417	38	41
Amounts owed by group undertakings	-	-	114	167
Amounts owed by related undertakings	20	56	20	56
Prepayments and accrued income	1,109	1,366	892	1,113
	1,325	1,839	1,064	1,377

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

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. Creditors: Amounts falling due within one year

	Group 2023 £000	<i>Group 2022 £000</i>	Charity 2023 £000	<i>Charity 2022 £000</i>
Trade creditors	369	557	335	468
The Chatsworth Settlement	501	823	501	823
Amounts owed to related undertakings	85	-	85	-
Other taxation and social security	30	-	30	-
Accruals and deferred income	2,610	2,729	2,135	2,184
	<u>3,595</u>	<u>4,109</u>	<u>3,086</u>	<u>3,475</u>

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.

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

Included in accruals and deferred income above is deferred income totalling £395,000 (2022: £418,000). Deferred income comprises the element of membership fees of the Friends of Chatsworth which relate to future periods.

	Group 2023 £000	<i>Group 2022 £000</i>
Balance as at 1 April 2022	418	481
Total received in year for annual memberships	914	722
Amounts related to current year	(937)	(785)
Balance as at 31 March 2023	<u>395</u>	<u>418</u>

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Designated funds						
Art Purchase Fund						
Revaluation reserve	(11)	-	-	37	(850)	(824)
Revenue reserve	19,778	137	1	(37)	-	19,879
	<u>19,767</u>	<u>137</u>	<u>1</u>	<u>-</u>	<u>(850)</u>	<u>19,055</u>
Unrestricted funds						
General fund						
Revaluation reserve	190	-	-	57	(575)	(328)
Revenue reserve	5,710	17,186	(15,742)	(72)	2,830	9,912
	<u>5,900</u>	<u>17,186</u>	<u>(15,742)</u>	<u>(15)</u>	<u>2,255</u>	<u>9,584</u>
Total Unrestricted funds	<u>25,667</u>	<u>17,323</u>	<u>(15,741)</u>	<u>(15)</u>	<u>1,405</u>	<u>28,639</u>
	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Donated asset reserve						
Chaos Meteoro	765	-	-	-	-	765

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Statement of funds (continued)

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Restricted funds						
Archives revealed	-	17	(17)	-	-	-
Seahorse fountain	8	-	-	-	-	8
RPA (tree planting)	1	-	-	-	-	1
National manuscripts	4	4	(8)	-	-	-
Idelwild conservation	1	-	(1)	-	-	-
Arts council - radical horizons	-	51	(51)	-	-	-
Art Explorer	-	10	(10)	-	-	-
Mighty Creatives	-	2	(2)	-	-	-
Historic Houses - Risk Response Fund	-	-	(15)	15	-	-
	<u>14</u>	<u>84</u>	<u>(104)</u>	<u>15</u>	<u>-</u>	<u>9</u>
Total of funds	<u><u>26,446</u></u>	<u><u>17,407</u></u>	<u><u>(15,845)</u></u>	<u><u>-</u></u>	<u><u>1,405</u></u>	<u><u>29,413</u></u>

CHATSWORTH HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

21. Statement of funds (continued)

Unrestricted funds

Art purchase fund

The charity's Arts Purchases Fund was established by gifts from the 11th Duke of Devonshire, the 12th Duke of Devonshire and the Earl of Burlington. It was established primarily for the purchase of works of art for the public benefit, though the fund may be used for other purposes at the discretion of the Council of Management. The Council of Management, having due regard for the purpose for which this fund was established, treat these funds as designated.

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.

General funds

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

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.

Restricted funds

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

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.

An amount of £15,145 was transferred from unrestricted funds to restricted funds in respect of 80% of the depreciation charged on a restricted asset.

Donated asset reserve

The charity has established this fund to account for donations of art to the charity arising in prior periods. 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 YEAR ENDED 31 MARCH 2023**

21. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2022 £000</i>
Designated funds						
Art Purchase Fund						
Revaluation reserve	1,818	-	-	(285)	(1,544)	(11)
Revenue reserve	17,358	164	(5)	285	1,976	19,778
	<u>19,176</u>	<u>164</u>	<u>(5)</u>	<u>-</u>	<u>432</u>	<u>19,767</u>
Unrestricted funds						
General Fund						
Revaluation reserve	3,238	-	-	(1,441)	(1,607)	190
Revenue reserve	(797)	13,683	(11,358)	1,427	2,755	5,710
	<u>2,441</u>	<u>13,683</u>	<u>(11,358)</u>	<u>(14)</u>	<u>1,148</u>	<u>5,900</u>
Total Unrestricted funds	<u>21,617</u>	<u>13,847</u>	<u>(11,363)</u>	<u>(14)</u>	<u>1,580</u>	<u>25,667</u>

	<i>Balance at 1 April 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2022 £000</i>
Donated asset reserve						
Chaos Meteoro	765	-	-	-	-	765

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Statement of funds (continued)

	<i>Balance at 1 April 2021 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2022 £000</i>
Restricted funds						
Archives revealed	-	21	(21)	-	-	-
Seahorse fountain	8	-	-	-	-	8
RPA (tree planting)	1	-	-	-	-	1
National manuscripts	-	4	-	-	-	4
Idelwild conservation	-	5	(4)	-	-	1
Arts council - radical horizons	-	59	(59)	-	-	-
Art Explorer	-	-	-	-	-	-
Mighty Creatives	-	-	-	-	-	-
Historic Houses - Risk Response Fund	-	-	(14)	14	-	-
	<u>9</u>	<u>89</u>	<u>(98)</u>	<u>14</u>	<u>-</u>	<u>14</u>
Total of funds	<u>22,391</u>	<u>13,936</u>	<u>(11,461)</u>	<u>-</u>	<u>1,580</u>	<u>26,446</u>

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Restricted funds 2023 £000	Donated asset reserve 2023 £000	Total funds 2023 £000
Tangible fixed assets	1,322	123	765	2,210
Trade investments	23,460	-	-	23,460
Investment property	3,000	-	-	3,000
Heritage assets	10,165	-	-	10,165
Current assets	3,008	(114)	-	2,894
Creditors due within one year	(3,595)	-	-	(3,595)
Provisions for liabilities and charges	(8,723)	-	-	(8,723)
Total	28,637	9	765	29,411

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Restricted funds 2022 £000</i>	<i>Donated Asset Reserve 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	1,254	139	765	2,158
Trade investments	24,975	-	-	24,975
Investment property	2,680	-	-	2,680
Heritage assets	10,165	-	-	10,165
Current assets	2,217	(125)	-	2,092
Creditors due within one year	(4,109)	-	-	(4,109)
Provisions for liabilities and charges	(11,515)	-	-	(11,515)
Total	25,667	14	765	26,446

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. 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 £140,000 (2022: £131,000).

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 £404,000 (2022: £342,000).

In 2022/23 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 2023.

The calculations 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:

	2023	<i>2022</i>
Discount rate	4.75%	<i>2.6%</i>
Salary inflation	3.2%	<i>3.5%</i>

Amounts to be recognised in charity's balance sheet:

	2023	<i>2022</i>
	£000	<i>£000</i>
Present value of unfunded obligations	8,723	<i>11,515</i>
Deficit in the scheme	8,723	<i>11,515</i>

	2023	<i>2022</i>
Changes in the present value of the defined benefit obligation are as follows	£000	<i>£000</i>
Opening defined benefit obligation	11,515	<i>11,991</i>
Actuarial (gains)/losses	(2,831)	<i>(486)</i>
Interest cost	294	<i>237</i>
Service cost	149	<i>115</i>
Benefits paid	(404)	<i>(342)</i>
Closing defined benefit obligation	8,723	<i>11,515</i>

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Pensions (continued)

Analysis of amount recognised within actuarial gains and losses

Changes in assumptions underlying the present value of the schemes liabilities

Changes in discount rate and mortality rates	(2,831)	(486)
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24. Financial Instruments

	2023 £000	2022 £000
Carrying amount of financial assets		
Financial assets measured at fair value through net income/expenditure	23,460	24,975
Debt instruments measured at amortised cost	215	473
Carrying amount of financial liabilities		
Measured at amortised cost	(3,593)	(4,109)

25. Operating lease commitments

There were no operating lease commitments as at 31 March 2023 and 31 March 2022.

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

26. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £000	<i>Group 2022 £000</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	(185)	3,569
Adjustments for:		
Depreciation charges	388	372
Gains/(losses) on investments	1,746	(1,094)
Profit on the sale of fixed assets	(19)	-
Increase in stocks	(20)	(5)
Decrease/(increase) in debtors	514	(266)
Decrease in creditors	(516)	(545)
Pension service and interest	443	352
Unfunded pension scheme non-cash movement	(404)	(342)
Investment income	(434)	(489)
Net cash provided by operating activities	1,513	1,552

The net income / expenditure for the year above represents the net movement in funds shown on the Statement of Financial Activities of £2,966,000 (2022: £4,055,000) excluding the gain on the defined benefit pension scheme of £2,831,000 (2022: £486,000) and the gain on investment properties of £320,000 (2022: £nil).

27. Analysis of cash and cash equivalents

	Group 2023 £000	<i>Group 2022 £000</i>
Cash in hand	1,475	179
Notice deposits (less than 3 months)	35	-
Total cash and cash equivalents	1,510	179

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

28. Analysis of changes in net debt

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash at bank and in hand	179	1,296	1,475
	<u>179</u>	<u>1,296</u>	<u>1,475</u>

29. Related party transactions

A summary of the key related party debtor / (creditor) balances at 31 March is shown below:

	2023 £000	2022 £000
The Chatsworth Settlement	(363)	(823)
Duke of Devonshire	-	3
Devonshire Renewable Energy Limited	(34)	(15)
Chatsworth Estate Trading Limited	13	95
Devonshire Hotel & Restaurants Group Limited	16	22
Cavendish Club	(1)	-
Chatsworth Gym & Swim	1	-
	<u>1</u>	<u>-</u>

CHATSWORTH HOUSE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

29. Related party transactions (continued)

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 £18,353 (2022: £9,015).

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 to support activity at Chatsworth which advances the education of the public in the arts and sciences.

During the year the charity received a facility fee and donation of £75,000 (2022: £nil as event was cancelled due to Covid-19).

Transactions with Council Members

Members of the Council were reimbursed for travel expenses amounting to £280 (2022: £447).

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 £120,000 (2022: £75,000) was charged. A rent review was prepared by Hugh Maxfield, a partner in Fisher German LLP, which was backdated to 1 April 2020. The current year rentals include this backdated fee.

The Chatsworth Settlement

The Chatsworth Settlement is a related party due to its common management with Chatsworth House Trust.

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

1. 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 £5,233,169 (2022: £4,430,857).

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 £1,825,852 (2022: £1,252,633) 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 £86,791 (2022: £98,668). 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 £378,115 (2022: £392,470). Included in the management fee above is the maintenance and repair costs for this housing of £149,940 (2022: £197,748).

CHATSWORTH HOUSE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

29. Related party transactions (continued)**2. 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. During the year, the chattels loan was re-documented and separated from the lease of the House, Garden and Park, and now exists as a separate long-term chattels loan on the same terms.

Rental income (note 6) 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 £913,480 (2022: £791,969) 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 £181,419 (2022: £101,362) 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, was 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 £35,956 (2022: £22,700).

Sarasin & Partners LLP

Sarasin & Partners LLP is a related party as Mr G Monson, who was the Chairman of the Finance, Audit and Conflicts Committee during the year, was also the Chief Investment Officer in Sarasin & Partners LLP.

Fees are charged for the investment management services provided by Sarasin & Partners LLP. The fees for the period are £9,313 (2022: £6,633).

The Duke of Devonshire

The charity invoices the Duke of Devonshire the full costs of any private expenditure incurred. During the year £206,645 (2022: £78,117) was invoiced for rent and utilities.

Floristry and garden maintenance for the private gardens is paid for directly by the Duke. This is equivalent to 2 FTE's of the gardens team.