

CHATSWORTH HOUSE TRUST

Annual report and consolidated financial statements

for the year ended 31 March 2020

Registered Charity Number 511149

Registered Company Number 01541046



CHATSWORTH HOUSE TRUST

Annual report and financial statements

For the year ended 31 March 2020

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CHATSWORTH HOUSE TRUST

Legal and administration details for the year ended 31 March 2020

Charity number

511149

Trustees/Directors (Council of Management)

Lord Burlington (appointed 17 June 2020) - Chairman
The Duke of Devonshire
The Duchess of Devonshire (resigned 17 June 2020)
The Hon. Mrs L Chetwode
Mr H M Wyndham
Mr J G E Monson
Mr E R H Perks
Mr J D S Booth
Mr M W Fane

Secretary

Mr A C Lavery

Key Management Personnel

Chief Executive Officer for Chatsworth House Trust and Chief Financial Officer for the Devonshire Group –
Mr A C Lavery
Chief Executive Officer, Devonshire Group – Mr S G Vickers
Chief Operating Officer – Mr E A D Cadogan

Registered office

The Estate Office
Edensor
Bakewell
Derbyshire
DE45 1PJ

Independent Auditors

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Solicitors

Currey & Co LLP
33 Queen Anne Street
London
W1G 9HY

Bankers

The Royal Bank of Scotland plc
The Square
Bakewell
Derbyshire
DE45 1BT

Investment advisors

Smith & Williamson Investment Management Limited
25 Moorgate
London
EC2R 6AY

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2020

The members of the Council of Management have pleasure in presenting their report together with the audited financial statements for the year ended 31 March 2020.

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.

Members of the Council of Management

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

* Lord Burlington (appointed 17 June 2020) - Chairman

* The 12th Duke of Devonshire

* The Duchess of Devonshire (resigned 17 June 2020)

The Hon. Mrs L Chetwode

Mr H M Wyndham

Mr J G E Monson

Mr E R H Perks

Mr J D S Booth

Mr M W Fane

* These members of the Council are also members of the company.

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

Appointment of Members

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

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

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.

CHATSWORTH HOUSE TRUST

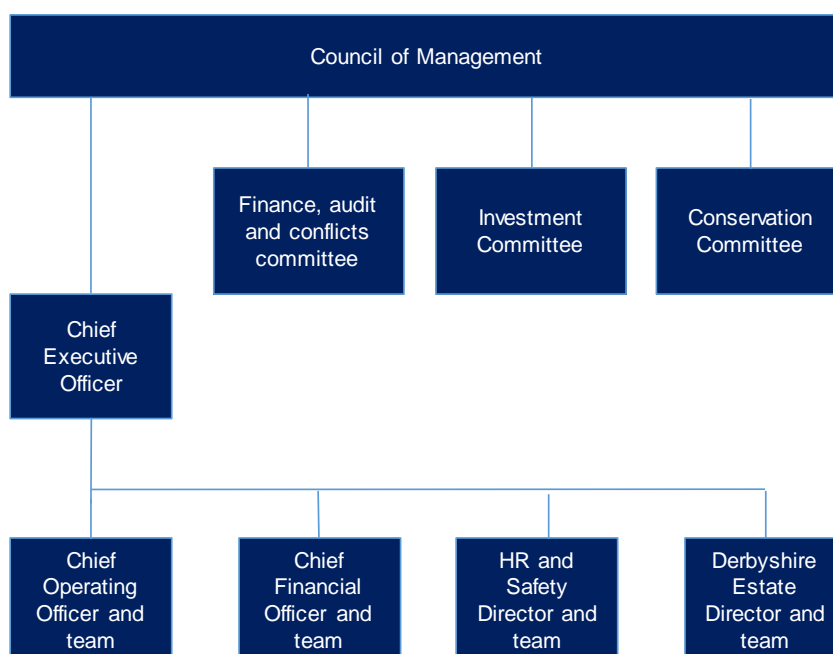
Report of the Council of Management for the year ended 31 March 2020 (continued)

Public benefit

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

Organisational structure and decision making

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



Mr Monson, Mr Booth, Mr Perks and Mr Fane are members of the Finance, Audit and Conflicts Committee and members of the Investment Committee. These committees meet formally twice per year. Mr Vickers, Mr Cadogan and Mr Lavery are in attendance for the meetings of each of these committees.

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

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

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2019 (continued)

OBJECTIVES AND ACTIVITIES

Objectives

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

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

Strategies and activities for achieving objectives and providing a public benefit

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

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

Preservation of the house gardens and park

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

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

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

The charity allows free public access to its parkland which provides picnic facilities and magnificent vistas on the banks of the river Derwent. In recent years, the charity has embarked on a Park Management Plan in which improvements are made to restore the landscape, views and vistas in the park including tree planting, repairing walls, footpaths and river bank maintenance. Its recently opened Game Larder Interpretation Centre is open to visitors free of charge all year round. In 2019, the charity opened its car parks free of charge during the closed season for members of the public to be able to access the park.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2020 (continued)

The Devonshire Collections and Creative Programme

Access to The Devonshire Collections is positively encouraged, and we seek to maximise opportunities for all to engage with and enjoy the collection. A large portion of the collection is on public display in the house and gardens through the year. The charity regularly holds events and exhibitions open to the general public displaying works of art, sculpture, archives, library and other historic artefacts. Members of Chatsworth's Collections, Exhibitions & Housekeeping Team undertake numerous talks, research visits (including 231 archive visits), and field enquiries. In addition they facilitate access to parts of the collection not normally on public display. The Collections team also run a thriving loans programme. During 2019-20 loans from the Devonshire Collections were seen by more than 620,000 people. Our largest loan of the year, in partnership with Sotheby's was an exhibition of some fifty objects which was held at Sotheby's in New York. This was an ambitious undertaking for our team and the exhibition itself was seen by nearly 24,000 members of the public free of charge during its 11 week run. An equally significant undertaking is our partnership with Museums-Sheffield and Lightbox in Woking, to present a major touring exhibition of 60 of Chatsworth's Old Master drawings. Lines of Beauty opened in Sheffield in February 2020, and will open in Woking in 2021, enabling us to share these important works with a much wider and diverse audience free of charge.

Our main season exhibition at Chatsworth for 2019 was The Dog, the idea for which was the inspiration of the Duchess of Devonshire. Between March and October, some 278,000 visitors came through the house and were able to enjoy the exhibition. The subject matter proved extremely popular with visitors as well as online audiences, with online engagement levels in particular far higher than in previous years. The exhibition afforded the opportunity to borrow objects from other institutions including as the Royal Collection, the Victoria & Albert Museum, the Tate and the Kennel Club. We were grateful for their generosity in allowing us to do so. The Dog also extended into the garden, with a work by artist Ben Long, a monumental sculpture of a dog on the south lawn made of scaffold poles.

Our Christmas theme for 2019 was titled In a Land Far Far Away attracted 140,000 people into the house during November and December.

As part of our ongoing mission to conserve and preserve the Devonshire Collections, we continued a comprehensive programme of conservation. Our Textiles Team completed conservation of the bed drapes and trimmings in the Scots Bedroom, taking some 450 hours to complete. Our Textiles Team also started work to conserve the curtains in the Library and the scale of this project is such that the work will continue through 2020 and beyond. Our Conservation Assistants delivered a programme of preventative conservation, a vital element of the team's work that ventures out into the garden with regular cleaning of our modern and contemporary sculptures. We once again partnered with the City & Guilds Art School in London, with their students staying on-site and cleaning thirty historical sculptural works in the garden.

Learning at Chatsworth

In 2019/20 Chatsworth continued to offer subsidised education rates and received 24,819 educational visitors across the house, garden, farmyard and adventure playground. 8,340 of these visits were facilitated by the Devonshire Educational Trust (DET) and Chatsworth staff. Each year, the core learning team, who work for DET, are supported by members of the Chatsworth staff to deliver learning experiences across the estate. School groups visit the house, garden and farmyard and can opt to be accompanied by a guide or participate in a workshop experience. These visits take advantage of special discounted rates for educational visitors and some of which are free of charge.

Between May and October 2019 we ran our first learning campaign, Get Drawing at Chatsworth. Delivered during half-term and holidays, this informal drop-in learning experience engaged families in the Chatsworth environment through a series of engaging sketchbook and observational drawing activities, leading up to our participation in the annual international Big Draw festival. Over 2,000 visitors joined in.

In addition to the visitors we have welcomed onsite, we have engaged 1,318 participants in Chatsworth outreach sessions (1,045 pupils or students and 273 adults) underlining our commitment to working in the wider community and diversifying our audience base.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2020 (continued)

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

Each year in the Park, the charity hosts a programme of popular events including the Chatsworth Country Fair, Chatsworth International Horse Trials and the Royal Horticultural Society Chatsworth Flower Show. These events are attended by over 130,500 people, and the Chatsworth Country Fair has been free for children since the event started over 30 year 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 held frequently in the park and Chatsworth has been the home of the Derbyshire Charity Clay Shoot for some years now.

Chatsworth offers Associate Friends memberships to third sector organisations and local public sector bodies and/or their social clubs, in 2019/20 we had 24 memberships. Annual membership provides access for up to 6 members of their staff per day and includes entry to Chatsworth House, the Garden and the Farmyard. An annual fee is charged which represents a substantial discount to normal rates.

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

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

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

Company law requires the Council Members to prepare financial statements for each financial year. Under that law they have are required to prepare the group and parent 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the group's and the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so. .

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.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2020 (continued)

STRATEGIC REPORT

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 2020 compared with 4 prior periods was as follows:

	2020	2019	2018	2017	2016
Visitor Numbers	580,528	614,679	642,817	624,075	660,999

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

The fall in visitor numbers in the 2019/20 year results from: a) the forced closure in March 2020 due to the Covid-19 pandemic; and b) a muted performance during the period October to December 2019 due to severe wet weather, which restricted our ability to park cars which limited the number of visitors entering the attraction.

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, Arts Festival, 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 £474,000 (2019: £43,000) 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.

The project involved restoring the exterior stonework and the historic interiors of Chatsworth House, creating new spaces for more displays, upgrading the interior services in the house and, with improved accessibility, making it easier for every visitor to enjoy their visit to Chatsworth.

The programme of work commenced in January 2007 and the last phase of works was completed in April 2019. The total cost of the project was £33.4m.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2020 (continued)

Financial review

The Statement of Financial Activities is set out in detail on page 15. It shows that overall the charity had net incoming resources of £856,000 for the year incurred from its activities as compared to £1,233,000 in 2019. Of this, net incoming resources of £611,000 were received in the General Fund, £260,000 in the Art Purchases Fund, £15,000 expended in the Restricted Funds and no movement in the Donated Asset Reserve.

Incoming resources

The charity has four principal sources of income.

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 65% (2018/19: 66%) of the charity's total incoming resources in 2019/20.

The second main income stream is trading activities which includes major events such as the Chatsworth Country Fair and the Dodson & Horrell Chatsworth International Horse Trials, operated by our subsidiary company Chatsworth House Enterprises Limited.

The third main income stream is one-off grants and donations which this year amounted to £436,000 (2018/19: £451,000)

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 101% (2018/19: 92%) of total resources expended.

The charity recovered a prior year vat debtor that had been written off in full, leaving a net credit balance of £172,000 (2018/19: £1,115,000 expended) for the essential preservation and maintenance of the house and grounds including its Master Plan project.

Investment powers, policy and performance

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

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

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

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2020 (continued)

Financial review (continued)

Investment powers, policy and performance (continued)

Performance review:

The General Fund received investment income of £322,000 (2018/19: £315,000) from its portfolio and £160,000 (2018/19: £175,000) from its property investments. In addition, the fund incurred realised and unrealised losses of £1,073,000 (2018/19: £211,000 gain) during the year from its investment portfolio.

The Art Purchases Fund received investment income of £305,000 (2018/19: £301,000) from its investment portfolio. In addition, the fund incurred realised and unrealised losses of £987,000 (2018/19: £211,000 gain).

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

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

	Total Return			
	2020 Actual	2020 Benchmark	2019 Actual	2019 Benchmark
General Fund	-7.0%	-10.1%	5.1%	7.0%
Art Purchases Fund	-7.8%	-10.1%	5.1%	7.0%

In general, markets during 2019 were responding to a loosening of monetary policy in the US. Between March 2019 and December 2019 the General fund and APF rose by 9.2% and 9.2% respectively compared with the benchmark performance of 7.6%.

Between December 2019 and March 2020, as the Covid-19 pandemic began to affect global markets, the General fund and APF fell by 15.1% and 15.6% respectively compared with the benchmark fall of 16.4%. By the end of June 2020 as markets recovered, more than half of the fall experienced in the three months to March 2020 had been recouped.

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.

Since the balance sheet date, the investment committee has engaged an external advisor to help it review the investment portfolios, the objectives, the mandates given to managers and the manager's performance with a view to implementing any changes within the 2020/21 year.

Overall result

After accounting for realised and unrealised losses on investments and on the pension scheme obligations, the total decrease in funds was £123,000 compared to the £1,726,000 increase in 2018/19. Of this decrease, £619,000 increase (2018/19: £1,261,000 increase) related to the General Fund, £727,000 decrease (2018/19: £453,000 increase) to the designated Art Purchases Fund, £15,000 decrease (2018/19: £12,000 increase) to the Restricted Funds and £nil (2018/19: £nil) to the Donated Asset Reserve.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the year ended 31 March 2020 (continued)

Financial review (continued)

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);
- Obligations under the charity's lease;
- Pension obligations to former employees;
- Commitment to maintain a living collection of art;
- An ongoing liability for repairs and maintenance.

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

The charity had total reserves at the year-end of £25,427,000 (2018/19: £25,550,000). These include unrestricted income funds (The General Fund and Art Purchases Fund) of £24,653,000 (2018/19: £24,761,000). The Council also monitors its "Free Reserves" position. Free reserves as at 31 March 2020 amounted to: £3,594,000 (2018/19: £2,900,000). Free reserves comprise assets that are available for expenditure in furtherance of the overall objects of the charity and the figure therefore excludes the Art Purchase Fund and other unrestricted funds which are tied up in tangible fixed assets and heritage assets. The objective of the Art Purchase Fund is to generate £250,000 of income per annum to acquire art.

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

Employees

As stated in note 27 to the accounts, staff are jointly employed by the company and the Trustees of the Chatsworth Settlement. During the year the average number of staff involved was 165 (2018/19: 157). There were five staff members earning more than £60,000 per year (2018/19: five) which is more fully disclosed in note 12 "Analysis of staff costs". Pension contributions for these staff members amounted to £55,530 (2018/19: £48,401).

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. 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. This will include respecting Chatsworth's legacy as a place of evolution and for being contemporary in its time. 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. In the immediate future, the Council's priority is to complete the current phase of the Masterplan. Over that period, 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

Report of the Council of Management for the year ended 31 March 2020 (continued)

Financial review (continued)

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, the Christmas Markets and the RHS Chatsworth Flower Show. The Council's reserves policy is also designed to protect the charity from the impact of an economic downturn.

Financial Risk

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

Liquidity

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

Charitable Donations

The charity has close links with the Devonshire Educational Trust. During the year £47,149 (2018/19: £64,057) was donated to the Devonshire Educational Trust. The Devonshire Educational Trust is considered to be a related party and more fully explained in note 27.

Fundraising Practices

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 and Audit Committee of the Council of Management.

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



J G E Monson
Member of the Council of Management
Registered Company No: 01541046

21 December 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST

Opinion

We have audited the financial statements of Chatsworth House Trust ("the charitable company") for the year ended 31 March which comprise the consolidated statement of financial activities, consolidated and company balance sheets, consolidated statement of cash flows and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2020 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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The members of the Council have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the charitable company or to cease their operations, and as they have concluded that the group and charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the members of the Council's conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the charitable company will continue in operation.

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

Other information

The members of the Council are responsible for the other information, which comprises which comprises The Report of the Council Management, incorporating the Strategic Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Report of the Council Management, which constitutes the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Council Members' responsibilities

As explained more fully in their statement set out on page 6, the members of the Council (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; 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; assessing the group's and the 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 they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



Clare Partridge (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

21 December 2020

CHATSWORTH HOUSE TRUST

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the year ended 31 March 2020

	Notes	General Fund (unrestricted) £000	Art Purchases Fund (unrestricted) £000	Donated Asset Reserve £000	Other Restricted Funds (restricted) £000	Total Funds 2020 £000	Total Funds 2019 £000
Income from:							
Charitable Activities	3	9,430	-	-	-	9,430	9,729
Trading activities	4	3,822	-	-	75	3,897	3,815
Donations & Legacies	6	437	-	-	-	437	451
Investment income	5	488	305	-	-	793	794
Total		14,177	305	-	75	14,557	14,789
Expenditure on:							
Raising funds	7	1,887	45	-	-	1,932	1,873
Charitable activities	8	11,851	-	-	90	11,941	10,568
Preservation and Maintenance		(172)	-	-	-	(172)	1,115
Total		13,566	45	-	90	13,701	13,556
Net (expenditure)/income for the year		611	260	-	(15)	856	1,233
Net (losses)/gains on investments		(1,073)	(987)	-	-	(2,060)	422
Net income/(deficit) for the year		(462)	(727)	-	(15)	(1,204)	1,655
Other recognised gains and losses							
Actuarial (loss)/gain on pension scheme	26	1,362	-	-	-	1,362	(429)
(Loss)/gain on investment properties		(281)	-	-	-	(281)	500
Net movement of funds		619	(727)	-	(15)	(123)	1,726
Total funds brought forward		6,585	18,176	765	24	25,550	23,824
Total funds carried forward		7,204	17,449	765	9	25,427	25,550

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

All income and expenditure derive from continuing activities.

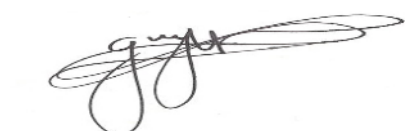
The comparative figures for 2018/19 are shown in note 2.

CHATSWORTH HOUSE TRUST

Consolidated and Company Balance Sheets as at 31 March 2020

	Notes	Group		Charity	
		2020	2019	2020	2019
		<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Fixed assets					
Fixed assets	13	2,484	2,557	2,344	2,410
Heritage Assets	14	10,089	9,649	10,089	9,649
Investment properties	15	2,680	2,961	2,680	2,961
Investments	16	19,357	19,110	19,357	19,110
Total Fixed Assets		34,610	34,277	34,470	34,130
Current assets					
Stocks	17	67	72	67	72
Debtors	18	2,468	1,588	1,992	1,797
Cash at bank and in hand		1,116	2,775	945	2,022
Total Current Assets		3,651	4,435	3,004	3,891
Creditors (Amounts falling due within one year)	19	(4,561)	(3,598)	(3,774)	(2,907)
Net current assets/(liabilities)		(910)	837	(770)	984
Net assets excluding pension liability		33,700	35,114	33,700	35,114
Defined benefit pension scheme liability	26	(8,273)	(9,564)	(8,273)	(9,564)
Net assets		25,427	25,550	25,427	25,550
The funds of the charity:					
Unrestricted income funds:					
General Fund	22	7,204	6,585	7,204	6,585
Art Purchases Fund	23	17,449	18,176	17,449	18,176
Donated Asset Reserve	24	9	24	9	24
Endowment Fund	25	765	765	765	765
		25,427	25,550	25,427	25,550

The financial statements on pages 15 to 38 were approved by the Council on 21 December 2020 and were signed on its behalf by



J G E Monson
Member of the Council of Management
Registered Company No: 01541046

CHATSWORTH HOUSE TRUST

Consolidated Statement of Cash Flows for the year ended 31 March 2020

	<i>Notes</i>	2020 <i>£000</i>	2019 <i>£000</i>
Cash flows from operating activities:			
Net cash from operating activities	28	649	91
Cash flows from investing activities:			
Income from investments		793	794
Proceeds from the sale of property, plant and equipment		4	11
Purchase of property, equipment and heritage assets		(797)	(612)
Purchase of investments		(5,355)	(2,704)
Proceeds from sale of investments		4,095	2,477
Net cash (used in)/generated by investing activities		(1,260)	(34)
Change in cash and cash equivalents		(611)	57
Cash and cash equivalents at the beginning of the period		3,426	3,369
Cash and cash equivalents at the end of the period	32	2,815	3,426

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2020

Basis of Accounting

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

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

The charity used its powers under the Companies Act 2006 to effect the change and notice was given to the registrar of companies on 15 December 2015.

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

Group financial statements

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

Tangible Fixed Assets

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

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

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

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

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

Heritage Assets

In its own right the company owns a collection of paintings, ceramics and sculptures previously identified as Arts & Treasures. These items are included in the accounts at their historical cost and are not depreciated as they are deemed to have indefinite lives. The assets held are reviewed for impairment at the reporting end date. To date, no impairments have occurred of capitalised items. Revaluations are not performed as the Council of Management does not consider that reliable information can be obtained due to the diverse nature of the assets and the lack of comparable market values. At the balance sheet date the book value of these items was £10,089,000 (2018/19: £9,649,000), of which £765,000 (2018/19: £765,000) was held in restricted funds.

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

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2020 (continued)

Heritage Assets (continued)

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

Investments

Investments are stated in the balance sheet at mid-market value and include cash balances held by the investment managers. Unrealised losses and gains on investments are taken to the revaluation reserve.

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

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

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

Investment Properties

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

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

The aggregate surplus or deficit on revaluation is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect of freehold investment property.

Foreign Exchange

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

Stocks

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

Debtors

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

Creditors and Provisions

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

Donations and Gifts

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

CHATSWORTH HOUSE TRUST

Accounting Policies for the year ended 31 March 2020 (continued)

Revenue Recognition

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

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

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

Allocation of Costs

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

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

The charity's funds

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

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

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

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

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

Irrecoverable VAT

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

Pension Liabilities

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

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

Financial instruments

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020

1 a) Legal status of the Company

The company is a charitable company limited by guarantee and has no share capital. Each member has undertaken to contribute to the assets of the company, in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member, an amount not exceeding £5,000. At 31 March 2020 there were four (2019: four) members.

b) Going concern

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

The Council of Management have prepared cash flow forecasts for a period of 15 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the anticipated impact of COVID-19 on the operations and its financial resources, the Group and Charity will have sufficient funds to meet its liabilities as they fall due for that period. The following assumptions have been applied:

- Covid – 19 will remain with us more or less in the situation that we are in today.
 - Social distancing will still be a part of our lives and will impact the operations. This is a particular issue for the House which will operate with restricted capacity but also impacts the CST Trading businesses which will see lower visitor numbers – which has a corresponding impact on the franchise fee (may want to take this out).
 - Mass gatherings will still not be possible – this means that events such as the Chatsworth Country Fair will not happen but nor will many other events such as corporate gatherings or weddings of over 30 guests. This also has an impact on the trading businesses as well as impeding the ability to look after our sponsors and deliver some of the benefits they expect. We also assume that the Christmas Markets do not happen next year.
 - Foreign travel will continue to be an issue. The impact of this would be negative on Chatsworth House (but for its already reduced capacity).
- Normal pay review in March 2021 for both living wage and the general pay award
- A continued general brake on recruitment
- A continued curtailment of ongoing revenue and capital spend – although we continue to spend on compliance, security and general repair and maintenance and also meet any existing commitments – such as spending in the Garden as it has partly been funded by Gucci.
- We do not assume any government support.

In order to further mitigate the impact of Covid-19 the charity will consider extending opening hours and opening during the close season from January through to March.

The charity has undrawn cash reserves at Smith & Williamson of £500k and a CBILs loan with the Royal Bank of Scotland for £3m. The charity also has an investment portfolio of £19,357,000 which can be liquidated if needed, but this is considered unlikely.

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

2 Comparative Statement of Financial Activities

The following shows the comparative consolidated Statement of Financial Activities for the period ended 31 March 2019, analysed between the General Fund, the Art Purchases Fund, the Restricted Funds and the Donated Asset Reserve.

	General Fund <i>(unrestricted)</i> £000	Art Purchases Fund <i>(unrestricted)</i> £000	Donated Asset Reserve £000	Other Restricted Funds <i>(restricted)</i> £000	Total Funds 2019 £000
Income from:					
Charitable Activities	9,729	-	-	-	9,729
Trading activities	3,812	-	-	3	3,815
Donations & Legacies	436	-	-	15	451
Investment income	493	301	-	-	794
Total	14,470	301	-	18	14,789
Expenditure on:					
Raising funds	1,829	44	-	-	1,873
Charitable activities	10,553	15	-	-	10,568
Preservation and Maintenance	1,109	-	-	6	1,115
Total	13,491	59	-	6	13,556
Net (expenditure)/income for the year	979	242	-	12	1,233
Net gains on investments	211	211	-	-	422
Net (deficit)/income for the year	1,190	453	-	12	1,655
Other recognised gains					
Actuarial (loss)/gain on pension scheme	(429)	-	-	-	(429)
(Loss)/gain on investment properties	500	-	-	-	500
Net movement of funds	1,261	453	-	12	1,726
Total funds brought forward	5,324	17,723	765	12	23,824
Total funds carried forward	6,585	18,176	765	24	25,550

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

3 Income from charitable activities

	2020	2019
	£000	£000
Amounts receivable from admissions	9,430	9,729

4 Income from other trading activities

	2020	2019
	£000	£000
Income from park events	2,197	2,215
Rental income (see note 27)	744	752
Other income	956	848
	3,897	3,815

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

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

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

	2020	2019
	£000	£000
Turnover	2,806	2,701
Cost of sales	(1,825)	(1,765)
Facility fee	(379)	(380)
Administration costs and interest payable	(15)	(20)
Net profit	587	536
Amount gift aided to the charity	(587)	(536)
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Fixed assets	140	148
Current assets	978	1,191
Current liabilities	(1,118)	(1,339)
Total net assets	-	-

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020

5 Investment income

	General Fund	Art Purchases Fund	2020	2019
	£000	£000	£000	£000
Income from quoted investments				
UK Fixed interest stocks	14	15	29	13
UK Equities	279	268	547	529
Overseas stocks	21	20	41	46
Interest on cash with broker	8	2	10	28
Other UK bank interest	6	-	6	3
Income from UK Properties	160	-	160	175
	488	305	793	794

6 Income from donations

	2020	2019
	£000	£000
Staff/pensioner housing	389	429
Other Donations & Legacies	48	22
	437	451

The income from donations and legacies was £437,000 (2018/19: £451,000) of which £437,000 was unrestricted (2018/19: £436,000 unrestricted and £15,000 restricted).

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

7 Analysis of expenditure on raising funds

	2020	2019
	£000	£000
Subsidiary trading operations	1,840	1,785
Investment fees (see note 16)	92	88
	1,932	1,873

Investment fees includes £47,000 for the General Fund (2018/19: £44,000) and £45,000 for the Art Purchase Fund (2018/19: £44,000)

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

8 Analysis of expenditure on charitable activities

	2020	2019
	£000	£000
Admissions expenses	3,628	3,047
Expenses of park events	15	-
Maintenance of the art collection	462	449
Maintenance of the garden, park and woods	1,362	1,183
General upkeep of the house and stables	2,037	1,834
Repair expenditure	1,109	811
General insurance	218	199
Management Rents	389	429
Allocations of support costs (see note 9)	2,524	2,387
Allocation of governance costs (see note 9)	197	229
	11,941	10,568

Expenditure on charitable activities was £11,941,000 (2018/19: £10,568,000) of which £11,851,000 was unrestricted (2018/19: £10,533,000) and £90,000 was restricted (2018/19: £15,000).

9 Analysis of governance and support costs

	2020	2019
	£000	£000
Management Charge	1,120	1,068
Wages & Salaries	912	814
Legal & Professional	33	38
Depreciation	69	97
Other Administrative	208	184
Service & interest cost on unfunded pension scheme	372	375
Secretarial Fees	41	48
Audit Fees	23	28
Trustee's expenses (see note 27)	-	-
	2,778	2,652
Allocated:		
Charitable activities	2,524	2,387
Governance Costs	197	229
Preservation and Maintenance	57	36
	2,778	2,652

Included within legal and professional fees are amounts payable to the auditor of £10,000 for non-audit services.

10 Taxation

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

11 Staff numbers

The average monthly head count was 361 staff (2018/19: 351 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the period was as follows:

	2020 Number	2019 Number
Administration and management	29	27
Domestic	13	8
Wardens	41	42
Maintenance	30	30
Gardens	30	27
Domain	6	7
Farm yard	15	16
	164	157

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

	2020 £000	2019 £000
Salaries & Wages	3,644	3,342
Social Security	688	566
Employers pension contributions to the money purchase scheme	127	106
Staff/pensioner housing	389	429
Service cost on unfunded pension	146	144
Interest cost on unfunded pension	226	231
	5,220	4,818

Five employees had employee benefits in excess of £60,000 (2018/19: five).

	2020 Number	2019 Number
£60,000 - £70,000	2	2
£70,000 - £80,000	1	1
£80,000 - £90,000	2	2
£90,000 - £100,000	-	-
	5	5

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

No fee nor salary is paid to any Council member during the year (2018/19: £nil). Council members were reimbursed for out of pocket expenses incurred during the period - £470 (2018/19: £245). As outlined in note 27, Mr ERH Perks is also a partner in Currey & Co LLP which supplies legal services to the charity.

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

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

13 Tangible assets

	Group				Charity			
	Long Leasehold Buildings £000	Equipment and Vehicles £000	Assets under Construction £000	Total £000	Long Leasehold Buildings £000	Equipment and Vehicles £000	Assets under Construction £000	Total £0
Cost:								
At 1 April 2019	2,094	6,434	-	8,528	2,094	6,275	-	8,369
Additions/Adjustments	5	318	-	323	5	318	-	323
Disposals	-	(37)	-	(37)	-	(37)	-	(37)
At 31 March 2020	2,099	6,715	-	8,814	2,099	6,556	-	8,655
Accumulated Depreciation:								
At 1 April 2019	1,367	4,603	-	5,970	1,367	4,592	-	5,959
Charge for the period	24	372	-	396	24	364	-	388
Disposals	-	(36)	-	(36)	-	(36)	-	(36)
At 31 March 2020	1,391	4,939	-	6,330	1,391	4,920	-	6,311
Net Book Amounts								
At 31 March 2020	708	1,776	-	2,484	708	1,636	-	2,344
At 31 March 2019	727	1,831	-	2,558	727	1,683	-	2,410

14 Heritage Assets

During the period additions of £474,000 (2018/19: £43,000) were added to the collection. The disposals include the write off of Heatherwick Bridge £30,000 and Emergence de-installation costs £4,000 (2018/19: £16,000).

Five year financial summary of heritage asset transactions

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Opening balance b/fwd	9,649	9,622	9,672	6,610	5,747
Acquisitions	474	43	48	3,062	863
Disposal	(34)	(16)	(98)	-	-
Closing balance c/fwd	10,089	9,649	9,622	9,672	6,610

Preservation and Management

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

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

The company 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 2019/20 £93,000 was expended on restoration and maintenance of the collection (2018/19: £71,000).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

15 Investment properties

	2020 £000	2019 £000
Investment properties held at fair value	2,680	2,961

A formal valuation was carried out in the year by Strutt & Parker advising us of a fall in the value of the Swinbrook properties of £281,000.

16 Investments

	General Fund £000	Art Purchases Fund £000	Total 2020 £000	Total 2019 £000
Market value at 1 April 2019	9,604	9,505	19,109	18,574
Acquired during the period, at cost	3,375	1,980	5,355	2,704
Disposal	(1,798)	(1,892)	(3,690)	(2,785)
Unrealised (losses)/gains for the period	(1,274)	(1,190)	(2,464)	730
Investment Income	322	305	627	616
Cashdraw down	501	12	513	(641)
Management Fees	(47)	(46)	(93)	(88)
Market value at 31 March 2020	10,683	8,674	19,357	19,110

	General Fund £000	Art Purchases Fund £000	Total 2020 £000	%	Total 2019 £000	%
£ Fixed Interest	330	322	652	3.4%	717	3.7%
£ Index Linked	160	151	311	1.6%	593	3.1%
Other Index Linked	737	678	1,415	7.3%	551	2.9%
Alternative Investments	749	613	1,362	7.0%	1,396	7.3%
United Kingdom	2,943	2,809	5,752	29.8%	7,374	38.6%
Europe	137	135	272	1.4%	250	1.3%
Rest of the World	3,399	3,171	6,570	33.9%	7,254	38.0%
Other Securities	1,169	155	1,324	6.8%	325	1.7%
Cash	1,059	640	1,699	8.8%	651	3.4%
Total market value	10,683	8,674	19,357	100.0%	19,110	100.0%
Cost	9,215	7,805	17,020		15,356	

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

16 Investments (continued)

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

	as at 31 March 2019			Total £000
	Level 1 £000	Level 2 £000	Level 3 £000	
Listed stocks or collective investment vehicles	18,455	-	-	18,455
Accrued interest	-	-	4	4
Cash	651	-	-	651
Market value at 31 March 2019	19,106	-	4	19,110

Between December 2019 and March 2020, the Covid-19 pandemic began to affect global markets. By the end of June 2020 as markets recovered, more than half of the fall experienced in the three months to March 2020 had been recouped.

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.

Investments in subsidiary and associated undertakings

	Country of incorporation	Principal activity	Holding	Net assets/ (Liabilities)	Profit/ (Loss) for period
The Chatsworth Estates Company	United Kingdom	Investment Company and Nominee	100%	(£2,344)	(£4,244)
Chatsworth House Enterprises Limited	United Kingdom	Trading activities	100%	£1	£nil
Treasure Houses Exhibitions Asia*	United Kingdom	Overseas exhibitions	10%	£nil	£nil

* held indirectly

17 Stocks

	Group		Charity	
	2020 £000	2019 £000	2020 £000	2019 £000
Stores	61	64	61	64
Livestock	6	8	6	8
	67	72	67	72

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

18 Debtors

	Group		Charity	
	2020	2019	2020	2019
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Trade debtors	975	749	347	472
Bad Debt Provision	(6)	(18)	(6)	(17)
	969	731	341	455
Amounts due from group companies	-	-	331	648
Prepayments and accrued income	1,499	857	1,320	694
	2,468	1,588	1,992	1,797

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

19 Creditors – Amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Amounts falling due within one year:				
The Chatsworth Settlement	1,594	612	1,594	611
Other trade creditors	305	444	305	444
Deferred income	373	385	372	385
Accruals	2,289	2,157	1,503	1,467
	4,561	3,598	3,774	2,907

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

20 Deferred income

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

	<i>£000</i>
Balance as at 1 April 2019	385
Amounts released to income earned from charitable activities	(385)
Amounts deferred in year	373
Balance as at 31 March 2020	373

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

21 Analysis of group net assets between funds

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

22 General Fund

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

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

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

23 Art Purchases Fund

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

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

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

24 Restricted Funds

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

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

The grant received from the AIM History Makers will go towards interpretation of 'How the Paxton's grew the Chatsworth Garden'. The Arts Council grant is to enable artists to continue to develop their work inspired by Chatsworth and to engage a younger audience. The RPA grant will be used for tree planting in the park. The seahorse fountain grant from Duke of Devonshire's Charitable Trust will be used for its restoration.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

25 Donated Asset Reserve

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

	Chaos Meteoro	Total
	<i>£000</i>	<i>£000</i>
The reserves of the fund comprise:		
At 1 April 2019	765	765
Income	-	-
Expenditure	-	-
Transfer between funds	-	-
At 31 March 2020	765	765

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

26 Pensions

Contributions were made during the year to the Chatsworth Settlement (2001) Pension Scheme (a defined contribution scheme), which amounted to £92,000 (2018/19: £65,000).

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 £301,000 (2018/19: £278,000).

During the year a formal valuation has been undertaken by Jim Burrows FIA, a senior consultant with Punter Southall Limited. This valuation as required by FRS 102 has been recognised in the accounts.

The financial assumptions have been derived using a 'yield curve' methodology, which is an alternative methodology to that used for the FRS102 disclosures as at 31 March 2019. The update to the methodology attempt to better reflect the duration of the Scheme's liabilities when deriving suitable assumptions for FRS102 purposes as at 31 March 2020.

If a consistent approach to the assumptions derivation had been adopted for the 31 March 2020 disclosures compared with the previous year, then the resulting discount rate would have been 0.1% pa higher and the RPI assumption 0.4% pa higher.

Therefore adopting the "cashflow-weighted" approach reduces both the discount rate and RPI assumptions, which broadly equates to a decrease of around £400k to the liabilities, which looks consistent with the auditors' estimate.'

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2020 (continued)

26 Pensions (continued)

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

	2020	2019
Discount rate	2.3%	2.4%
Salary Inflation	2.5%	3.4%

The amounts recognised in the balance sheet are as follows:

	2020 £000	2019 £000
Present value of scheme liabilities	8,273	9,564
Deficit in the scheme	8,273	9,564

Analysis of amount recognised within actuarial gains and losses

Changes in assumptions underlying the present value of the scheme liabilities

Changes in discount rate and mortality rates	(1,362)	429
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	2020 £000	2019 £000
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	9,564	9,038
Actuarial (gains)/losses	(1,362)	429
Interest cost	226	231
Service cost	146	144
Benefits paid	(301)	(278)
Closing defined benefit obligation	8,273	9,564

27 Related party transactions

Devonshire Educational Trust

The Devonshire Educational Trust is a related party as the Duke of Devonshire, the chairman of the Chatsworth House Trust is a trustee of The Devonshire Educational Trust. The charity has made donations in the period of £47,149 (2018/19: £64,057) to The Devonshire Educational Trust. During the period, The Devonshire Educational Trust entered into a memorandum of understanding for ten years to occupy a dilapidated building situated at Chatsworth for a nominal ground rent of £250 per annum. The building was subsequently refurbished by The Devonshire Educational Trust to create a facility suitable for educational visits to Chatsworth.

Crocus.co.uk Limited

Mr M W Fane, one of the trustees of Chatsworth House Trust is the Managing Director of Crocus. During the year Crocus supplied plants at a market value of £188,484 (2018/19: £30,378).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

27 Related party transactions

The Derbyshire Charity Clay Shoot Event (DCCS)

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

During the year the company received a facility fee of £15,000 (2018/19: £10,000).

Transactions with Council Members

Members of the Council were reimbursed for travel expenses amounting to £470 (2018/19: £245).

The Duke of Devonshire leases the private apartments from the charity, pursuant to the lease set out above, under which a full market rent is payable (subject to five yearly reviews). During the year rent of £75,000 (2018/19: £75,000) was received. A rent review was undertaken during 2015/16 with a revised rent being applicable from March 2015.

The Chatsworth Settlement

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

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

- Recharges

Staff are jointly employed by the company and the Chatsworth Settlement. The Chatsworth Settlement operate central payroll and the total cost of staff invoiced to the charity during the period was £4,750,047 (2018/19: £4,402,040).

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 £1,119,806 (2018/19: £1,067,748) was recharged to the company. In addition, the company charges for work undertaken by its own internal departments for the benefit of the Chatsworth Settlement. 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 £389,150 (2018/19: £429,000). Included in the management fee above is the maintenance and repair costs for this housing of £171,787 (2018/19: £116,721).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

27 Related party transactions (continued)

- Rent

The charity leases from the Chatsworth Settlement under a 99 year lease at nominal rent, granted in 1981, Chatsworth House and its essential contents, 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 waived its rights under the lease over some of the contents referred to above in exchange for a commitment that Chatsworth Settlement Trustees replace these contents with chattels of not less than an equivalent value and interest to the public.

Rental income (note 4) is also receivable from the Chatsworth Settlement based on the annual turnover of businesses operated by them in premises located at Chatsworth. During the year £744,562 (2018/19: £752,156) 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 the Chatsworth Settlement. During the period, the company sold heat and power amounting to £107,560 (2018/19: £90,920) to the charity.

Currey & Co LLP

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

Fees are charged for the legal services provided by Currey & Co LLP. The fees for the period are £41,257 (2018/19: £48,086).

The charity invoices the Duke of Devonshire the full costs of any private expenditure incurred. During the year £6,936 (2018/19: £9,373) was invoiced for gas, electricity, training, flowers and office costs.

	2020 £	2019 £
Amounts due (from)/to Chatsworth House Trust at 31 March 2020 (to)/from		
The Chatsworth Settlement	(1,594,088)	(611,240)
Duke of Devonshire	20,974	2,247
Devonshire Renewable Energy Ltd	(9,491)	(27,165)
Chatsworth Estate Trading	(11,372)	41,619
Devonshire Educational Trust	5,558	358,047
Devonshire Hotel Group	(21,832)	(67,126)

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

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

	2020	2019
	£000	£000
Net income/(deficit) for the year	(123)	1,726
(Gains)/losses on investments	2,060	(422)
Actuarial loss on pension scheme	(1,362)	429
(Gains)/losses on investment properties	281	(500)
Pension service and interest	372	375
Unfunded pension scheme non-cash movement	(301)	(278)
(Profit)/Loss in disposal of assets	30	9
Depreciation charges	396	415
Investment income	(793)	(794)
(Increase)/decrease in stocks	5	(7)
(Increase)/decrease in debtors	(880)	(68)
Increase/(decrease) in creditors	964	(794)
Net cash outflow from operating activities	649	91

29 Restoration Expenditure

At the 31st March 2020 all phases of the Master Plan were complete. No further commitment to this project has been made.

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

30 Operating lease commitments

There were no operating lease commitments as at 31 March 2020 and 31 March 2019.

31 Financial instruments

	2020	2019
	£000	£000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	969	731
Carrying amount of financial liabilities		
Measured at amortised cost	4,561	3,598

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2020 (continued)

32 Reconciliation of cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	1,116	2,775
Cash held with investment manager	1,699	651
Net funds at 31 March 2020	2,815	3,426

33 Judgements applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management has noted the following areas of judgement:

Pension Scheme

The carrying value of the liability in respect of the Chatsworth Estate Pension Scheme relies on judgment of the future inflation, mortality rates and the discount rate to be applied. Any changes in these assumptions which are disclosed in note 26 will impact the carrying value of the pension liability. In addition, the last actuarial valuation of the pension scheme liability was performed as at 31 March 2016. The carrying value of the liability as at 31 March 2020 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.

Tangible fixed assets – Art

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

Tangible fixed assets – property

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