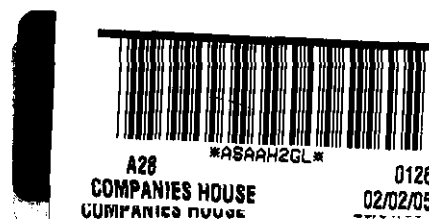


# **The Chatsworth Estates Company**

Directors' Report and Accounts

for the year ended 31 March 2004

Registered number: 00217071~~Y~~



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The directors submit their report together with the audited accounts for the year ended 31 March 2004.

### ***Principal activity and review of the business***

The company is an investment company and is responsible for certain property as special executor of the 9th Duke of Devonshire's Will and holds the legal estate in certain other property as a bare trustee for the Trustees of the Chatsworth Settlement, who purchased it in 1950. No significant changes in the circumstances or activities of the company are anticipated in the immediate future.

### ***Results for the year***

The results for the year and the financial position of the company are shown in the annexed accounts. The directors do not recommend the payment of a dividend. The loss after taxation for the year of £85 (2003: £97) has been transferred from reserves.

### ***Directors***

The directors of the company were as detailed below and their interests in the shares of the company, including those of their families, are as shown:

	<b><i>Interest in company's shares</i></b>	
	<b><i>31 March 2004</i></b>	<b><i>31 March 2003</i></b>
The 11 <sup>th</sup> Duke of Devonshire (died 3 May 2004)	-	-
The 12 <sup>th</sup> Duke of Devonshire (formerly Marquess of Hartington)	-	-
P A Bostock	1 share as a nominee	1 share as a nominee
N W Smith	1 share as a nominee	1 share as a nominee

The 12<sup>th</sup> Duke of Devonshire is the director who retires by rotation and, being eligible offers himself for re-election.

### ***Directors' responsibilities***

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

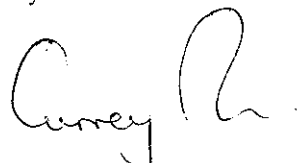
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**Auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'Currey & Co', is written over the printed name.

**Currey & Co**  
Secretaries

25 NOVEMBER 2004

Registered number: 00217071~~1~~

## **Independent auditors' report to the members of The Chatsworth Estates Company**

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We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

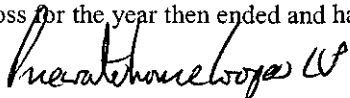
### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditor  
East Midlands

25 NOVEMBER 2004

# Profit and Loss Account for the year ended 31 March 2004

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	2004 £	2003 £
<b>Turnover</b>		
Investment income – unquoted	1,600	1,600
Interest receivable	95	48
	1,695	1,648
<b>Administrative expenses</b>		
Directors' emoluments (note 3)	400	400
Auditors' remuneration	664	646
Secretarial fees	649	632
Sundry expenses	67	67
	1,780	1,745
<b>Loss on ordinary activities before taxation</b>	(85)	(97)
Taxation	-	-
<b>Loss on ordinary activities after taxation</b>	(85)	(97)
<b>Profit/(loss) account brought forward</b>	8,798	8,895
<b>Profit/(loss) account carried forward</b>	8,713	8,798

There were no recognised gains and losses other than the loss for the year. The results arose from continuing operations.

	2004 £	2003 £
<b>Fixed assets</b>		
Unquoted investment (note 4)	1,000	1,000
<b>Current assets</b>		
Cash at bank	9,559	9,594
	9,559	9,594
<b>Creditors - Amounts falling due within one year</b>		
Accruals	(1,746)	(1,696)
<b>Net current assets</b>	7,813	7,898
<b>Net assets</b>	8,813	8,898
<b>Capital and reserves</b>		
Called up share capital (note 5)	100	100
Profit and loss account (note 7)	8,713	8,798
<b>Equity Shareholders' funds (note 6)</b>	8,813	8,898

Approved by the Board of Directors on 25 November 2004



P A Bostock

**1 Accounting Policies**

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Turnover represents investment income, and is recognised when declared.

**2 Company Status**

The company is an unlimited investment company.

**3 Directors' Emoluments**

The Directors received total emoluments of £400 (2003: £400) in respect of their services. There were no other employees during the year (2003: Nil).

**4 Unquoted Investment**

At 31 March 2004 and 31 March 2003 the company owned 1,000 shares in Peacock Hotel (Baslow) Limited, a company registered in England and Wales, comprising 16% of the company's ordinary share capital. In the opinion of the directors this investment has a value of no less than the cost of £1,000.

**5 Called Up Share Capital**

	2004 £	2003 £
<i>Authorised:</i>		
400,000 ordinary shares of £10 each	4,000,000	4,000,000
100,000 5% non cumulative preference shares of £10 each	1,000,000	1,000,000
	5,000,000	5,000,000
<i>Allotted and fully paid:</i>		
10 ordinary shares of £10 each	100	100

**6 Reconciliation of Movement in Shareholders' Funds**

	<i>2004</i> £	<i>2003</i> £
Loss for the financial year	(85)	(97)
Opening shareholders' funds	8,898	8,995
Closing shareholders' funds	8,813	8,898

**7 Reserves**

	<i>Profit &amp; Loss Account</i> £
Brought forward	8,798
Loss for the year	(85)
Carried forward	8,713

**8 Related Party Disclosures**

The holding company and ultimate controlling party is Chatsworth House Trust, a company limited by guarantee and registered in England and Wales. During the year the Company incurred secretarial fees of £649 (2003: £632) to Currey & Co, in which P A Bostock and N W Smith, who are Directors of the Company, are partners. The amount of £649 (2003: £618) was outstanding at the year end.