

The Chatsworth Estates Company

Annual Report and Financial Statements

for the year ended 31 March 2020

Registered number: 00217071



The Chatsworth Estates Company

Directors' report for the year ended 31 March 2020

The directors present their report and financial statements for the period ended 31 March 2020.

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.

The company will be dependant upon Chatsworth House Trust in order to meet its day to day expenditure from 31 March 2020. It has received assurances from Chatsworth House Trust that it will provide this ongoing financial support. This has enabled the company to continue as a going concern (note 1 provides further detail).

Directors

The directors of the company up to the date of signing the financial statements were as detailed below:

The 12th Duke of Devonshire
Mr E R H Perks
Mr D M Waller

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the 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 company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the 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 company and to prevent and detect fraud and other irregularities.

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

The Chatsworth Estates Company

Directors' report for the year ended 31 March 2020 (continued)

Principal activity and review of the business (continued)

Auditors

KPMG have been appointed as auditors of the company.

Statement of disclose to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of the information.

This report has be prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Currey & Co LLP

Currey & Co LLP

Company Secretaries

Registered number: 00217071

Date: *22nd January, 2021*

The Chatsworth Estates Company

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHATSWORTH ESTATES COMPANY

Opinion

We have audited the financial statements of Chatsworth Estates Company ("the company") for the year ended 31 March 2020, which comprise the Company Balance Sheets, the Profit and Loss Account and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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 company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note [x] to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the 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 its 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 directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the 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 company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

The Chatsworth Estates Company

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHATSWORTH ESTATES COMPANY (CONTINUED)

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors 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 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 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.

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

This report is made solely to the 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 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 company and the company's 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

Date 27 January 2021

The Chatsworth Estates Company

**Profit and loss account
for the year ended 31 March 2020**

	2020	2019
	£	£
Turnover		
Investment income – unquoted	-	-
Interest receivable	12	8
	12	8
Administrative expenses		
Audit fee	2,520	2,448
Secretarial fees	-	-
Sundry expenses	1,736	3,241
	4,256	5,689
(Loss)/Profit before taxation	(4,244)	(5,681)
Taxation	-	-
(Loss)/Profit after taxation	(4,244)	(5,681)

The notes on pages 8 to 10 form part of these financial statements.

The Chatsworth Estates Company

Balance sheet as at 31 March 2020

	Note	2020 £	2019 £
Current assets			
Debtors	5	-	-
Cash at bank		3,423	9,850
Current Assets		3,423	9,850
Creditors - Amounts falling due within one year	6	(5,757)	(7,940)
Net current assets		(2,344)	1,910
Net assets		(2,334)	1,910
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	9	(2,434)	1,810
Equity Shareholders' funds	8	(2,334)	1,910

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

The notes on pages 8 to 10 form part of these financial statements.

Approved by the Board of Directors on 22nd January, 2021



D M Waller
Director

Registered number: 00217071

The Chatsworth Estates Company

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

1 Accounting Policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Compliance with accounting standards

The financial statements are prepared in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Investments

Investments are stated at cost net of provision for any diminution in value.

Basis of Preparation

The company will be dependant upon Chatsworth House Trust in order to meet its day to day expenditure from 31 March 2020. It has received assurances from Chatsworth House Trust that it will provide this ongoing financial support. This has enabled the company to continue as a going concern.

The Directors 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 company has a letter of support from it's holding company Chatsworth House Trust who have prepared a 15 month cash flow forecast based on an ongoing Covid-19 scenario using the following assumptions:

- 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.

The Chatsworth Estates Company

2 *Turnover*

Turnover represents investment income, and is recognised when the right to payment is established.

3 *Company Status*

The company is an unlimited investment company.

4 *Directors' Emoluments*

The Directors received total emoluments of £nil (2019: £nil) in respect of their services. There were no other employees during the year (2018: none).

5 *Debtors*

	2020 £	2019 £
Other Debtors	-	-

6 *Creditors – Amounts falling due within one year*

	2019 £	2019 £
Accruals	5,757	7,940

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

7 *Called Up Share Capital*

	2020 £	2019 £
<i>Allotted and fully paid:</i>		
10 ordinary shares of £10 each	100	100

8 *Reconciliation of Movement in Total Shareholders' Funds*

2020 £	2019 £
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The Chatsworth Estates Company

(Loss) for the financial year	(4,244)	(5,681)
Opening shareholders' funds	1,910	7,591
Closing shareholders' funds	(2,334)	1,910

9 Reserves

	<i>Profit & Loss Account £</i>
Brought forward as at 1 st April 2019	1,810
Loss for the financial year	(4,244)
Carried forward as at 31 st March 2020	(2,334)

10 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. At year end an amount of £nil (2019: £nil) was due to the company from Chatsworth House Trust. During the year, the Company incurred secretarial fees of £nil (2019: £nil) to Currey & Co LLP, in which Mr E R H Perks and Mr D M Waller who are Directors of the Company, are members.

11 Taxation

The tax charge in 2020 is £nil (2019 £nil).