

CHATSWORTH HOUSE TRUST

REPORT AND ACCOUNTS

31 MARCH 2003

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CHATSWORTH HOUSE TRUST

REPORT OF THE COUNCIL OF MANAGEMENT

The Council Members have pleasure in presenting their report together with the accounts for the year ended 31 March 2003.

THE COMPANY

The Chatsworth House Trust is a company limited by guarantee incorporated on the 23 January 1981 and governed by its memorandum and articles of association. It is also a registered charity number 511149. Its registered office is 21 Buckingham Gate, London SW1.

THE COUNCIL OF MANAGEMENT

The Members of the Council of Management are the directors of the company.

The following served on the Council throughout the period:

- * Marquess of Hartington - Chairman
- * The Duke of Devonshire - An alternate for Lord Hartington and the Duchess of Devonshire
- * The Duchess of Devonshire
- Mr W A W Bemrose
- Mr R N Hambro
- * Mr N W Smith
- The Hon. Edward Adeane

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

Lady L V Shaw-Stewart was appointed to the Council on 15 March 2003.

Marquess of Hartington 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 period 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 period. 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.

RISK STATEMENT

The Council of Management has assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and is satisfied that systems are in place to mitigate the exposure to the major risks.

CHATSWORTH HOUSE TRUST

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

BANKERS

The company's bankers are the Royal Bank of Scotland and Smith & Williamson Securities.

SOLICITORS

The company's solicitors are Currey & Co., 21 Buckingham Gate, London SW1 who are also the Secretaries.

INVESTMENT ADVISERS

The company's investment advisers are Smith & Williamson Securities, No 1 Riding House Street, London W1. Under its memorandum of association the company has power to invest its funds in or upon such investments, securities or property (whether or not for the time being authorised for the investment of trust moneys) as the company thinks fit.

AUDITORS

The company's auditors are PricewaterhouseCoopers who are willing to continue in office and a resolution will be submitted to the forthcoming annual general meeting that they be re-appointed.

PRINCIPAL ACTIVITIES

The company 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 company's principal activities are the maintenance and preservation of this property and opening it to the public. The House and gardens are open every day from mid March to Christmas and much of the park is open every day of the year.

RESERVES POLICY

It is the policy of the Council to have a sufficient cash reserve in hand at the end of each accounting period to enable the company to cope with adverse trading conditions arising in a subsequent accounting period, pending the taking of other remedial action. The exact figure is reviewed annually.

BUSINESS REVIEW

The general fund incurred an operating deficit of £371,775 (2002 - £246,792) on opening the House, gardens and park to the public.

The general fund also received revenue grants of £Nil (2002 - £60,000) and investment income of £343,130 (2002 - £391,511). After accounting for realised losses and unrealised losses on investments, the total reduction in value of the general fund was £2,427,837 (2002 - reduction of £769,161).

The art purchases fund accepted donations of £850,734 (2002 - £845,961) and received investment income of £208,781 (2002 - £216,095). The fund spent £249,344 (2002 - £133,394) on the purchase of works of art. After accounting for realised losses and unrealised losses on investments, the total reduction in value of the art purchases fund was £313,104 (2002 - increase of £525,160).

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

CHATSWORTH HOUSE TRUST

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

BUSINESS REVIEW (continued)

The following other information is presented in order to provide an understanding of the operations of the company during the year.

	General Fund	
	2003	2002
(i) Operating deficit from Chatsworth	(371,775)	(246,792)
Add: revenue grants and investment income	343,130	451,511
Less: investment management fees and taxation	(27,642)	(23,632)
Net incoming resources per page 5	<u>£(56,287)</u>	<u>181,087</u>

The operating deficit from Chatsworth is calculated as revenue from Chatsworth (per page 5), less total resources expended apart from investment management fees and taxation.

(ii) General fund - investments at market value	<u>£7,593,794</u>	<u>£9,984,878</u>
Art purchases fund - investments at market value	<u>£5,794,739</u>	<u>£6,265,214</u>

The values shown above include investment assets and cash balances held by the investment managers, but exclude all other assets and liabilities shown on the balance sheet.

(iii) Since the establishment of the art purchases fund, the amount of art purchases financed from the fund totals £569,654 (2002 - £320,310). After taking this into account, the cumulative amount of investment income available to spend on art purchases is £416,286 (2002- £477,011).

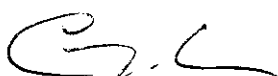
CHARITABLE DONATIONS

Charitable donations amounted to £65,000 during the year (2002 - £50,000).

EMPLOYEES

As stated in note 3 to the accounts the company does not have any employees of its own.

By Order of the Council



CURREY & CO
SECRETARIES TO THE COUNCIL
Company No: 1541046

2 December 2003

Independent Auditors' Report to the Members of Chatsworth House Trust

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ
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Facsimile +44 (0) 15 0960 4010

We have audited the financial statements which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes which have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable activities of Chatsworth House Trust. Their 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 any responsibility for any other purpose or to any other person to whom this report is shown or into 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 United Kingdom Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable 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

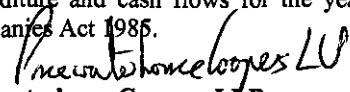
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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

As stated in the accounting policies set out on pages 9 and 10 of the accounts, the accounting policies adopted for the company's pension liabilities do not follow Statement of Standard Accounting Practice No 24, Accounting for Pension Costs.

Except for the foregoing, in our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 March 2003, and of its net incoming resources, including its income and expenditure and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
East Midlands

2 December 2003

CHATSWORTH HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2003

	Notes	General Fund	Art Purchases Fund	Total 2003	Total 2002
INCOMING RESOURCES					
Revenue from Chatsworth	4	4,566,478	-	4,566,478	3,587,127
Donations and gifts	5	-	850,734	850,734	845,961
Grants receivable	6	-	-	-	60,000
Investment income	7	343,130	208,781	551,911	607,606
TOTAL INCOMING RESOURCES		4,909,608	1,059,515	5,969,123	5,100,694
RESOURCES EXPENDED					
Direct charitable expenditure	8	(4,247,585)	-	(4,247,585)	(3,241,071)
Management and administration of the charity	9	(718,310)	(20,162)	(738,472)	(631,888)
TOTAL RESOURCES EXPENDED		(4,965,895)	(20,162)	(4,986,057)	(3,872,959)
NET INCOMING RESOURCES		(56,287)	1,039,353	983,066	1,227,735
GAINS/(LOSSES) ON INVESTMENT ASSETS					
Realised (losses)		(216,026)	(107,659)	(323,685)	(484,026)
Unrealised (losses)		(2,155,524)	(1,244,798)	(3,400,322)	(987,710)
NET MOVEMENT IN FUNDS		(2,427,837)	(313,104)	(2,740,941)	(244,001)
FUND BALANCES BROUGHT FORWARD AT 1 APRIL 2002		12,878,992	6,687,689	19,566,681	19,810,682
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2003		£10,451,155	£6,374,585	£16,825,740	£19,566,681

There are no recognised gains or losses other than those included in the results above.

CHATSWORTH HOUSE TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003	2002
Revenue from Chatsworth	4	4,566,478	3,587,127
Donations	5	850,734	845,961
Grants receivable	6	0	60,000
Investment income	7	551,911	607,606
		<hr/>	<hr/>
		1,402,645	1,513,567
		<hr/>	<hr/>
TOTAL INCOME		5,969,123	5,100,694
Total expenditure		(4,981,248)	(3,865,928)
		<hr/>	<hr/>
NET INCOME BEFORE INVESTMENT ASSET DISPOSALS		987,875	1,234,766
(Losses) on disposals of investments		(323,685)	(484,026)
		<hr/>	<hr/>
NET INCOME BEFORE TAXATION	10	664,190	750,740
Taxation	11	(4,809)	(7,031)
		<hr/>	<hr/>
NET INCOME FOR THE YEAR		£659,381	£743,709
		<hr/>	<hr/>

The income and expenditure account has been prepared to comply with Companies Act requirements. It differs from the statement of financial activities due to the exclusion of unrealised gains and losses on the revaluation of investments.

The above results all arose from continuing operations.

CHATSWORTH HOUSE TRUST

BALANCE SHEET - 31 MARCH 2003

	Notes	2003	2002
FIXED ASSETS			
Tangible assets	12	2,992,703	2,807,760
Investments	13	13,388,533	16,250,092
		<hr/>	<hr/>
		16,381,236	19,057,852
CURRENT ASSETS			
Stocks	14	73,265	85,131
Debtors	15	226,468	237,063
Cash at bank and in hand		655,711	676,660
		<hr/>	<hr/>
		955,444	998,854
CREDITORS (Amounts falling due within one year)	16	(510,940)	(490,025)
		<hr/>	<hr/>
NET CURRENT ASSETS		444,504	508,829
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES	17	£16,825,740	£19,566,681
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
General fund	18	10,451,155	12,878,992
Art purchases fund	19	6,374,585	6,687,689
		<hr/>	<hr/>
		£16,825,740	£19,566,681
		<hr/> <hr/>	<hr/> <hr/>

Approved by the Council on 2 December 2003

N.W. Smith

N.W.Smith
Council Member

CHATSWORTH HOUSE TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003	2002
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	23	(226,530)	(115,054)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Bank interest received	165,937	184,111	
Quoted investment income received	426,676	343,187	
NET CASH INFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		592,613	527,298
TAXATION			
Foreign tax suffered by deduction	(4,809)	(7,031)	
TAX PAID		(4,809)	(7,031)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	(372,135)	(180,891)	
Receipts from sales of tangible fixed assets	1,626	375	
Payments to acquire investments	(2,439,882)	(4,470,433)	
Receipts from sale of investments	1,546,810	3,359,649	
Decrease in cash with broker	30,624	287,602	
NET CASH (OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(1,232,957)	(1,003,698)
NET CASH (OUTFLOW) BEFORE FINANCING		(871,683)	(598,485)
FINANCING			
Grants	0	60,000	
Donations - art purchases fund	850,734	845,961	
NET CASH INFLOW FOR FINANCING		850,734	905,961
(DECREASE)/INCREASE IN CASH AND NET FUNDS	24	£(20,949)	£307,476

CHATSWORTH HOUSE TRUST

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention, modified by the revaluation of investments. With the exception of Pension Liabilities as noted below, the accounts have been prepared in accordance with applicable accounting standards, including the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in October 2000, and the Companies Act 1985.

TANGIBLE FIXED ASSETS

All tangible fixed assets are for the charity's use and are stated at cost to the company, or where gifted at probate value.

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 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.

Growing timber granted to the Council of Management is not valued in the accounts as the timber will revert to The Trustees of the Chatsworth Settlement at the end of the lease.

Art Treasures are not depreciated.

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.

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

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.

STOCKS

Stocks are stated at the lower of cost and estimated net realisable value.

DONATIONS AND GIFTS

Donations and gifts comprise amounts receivable during the year.

GRANTS RECEIVABLE

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

CHATSWORTH HOUSE TRUST

ACCOUNTING POLICIES (continued)

ALLOCATION OF COSTS

Direct charitable expenditure comprises the costs of maintaining and preserving the House and its associated land together with costs associated with opening it to the public. Staff costs included within this heading include a due portion of operating overheads.

Management and administration costs represent costs incurred in the overall organisation of the charity and compliance with constitutional and statutory requirements.

PENSION LIABILITIES

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

The unfunded liability for employees joining before 1 September 1999 cannot be quantified in the absence of an actuarial valuation and the Council of Management is of the opinion that the cost of obtaining a valuation is out of proportion to the usefulness of the information to the members. Contributions to the new plan will be made by the company after 12 months service. The company also has liabilities to the Trustees of the Chatsworth Settlement in respect of their obligations to provide housing to retired employees which are not provided for in the accounts.

The Council of Management has not implemented the provisions of SSAP 24, Accounting for Pension Costs, which require inter alia that pension liabilities be accounted for on an accruals basis, and for provision to be made for any unfunded pension liability.

The Council of Management has an undertaking from the Devonshire Family that, if necessary, additional funds will be endowed to the company, to ensure that all future pension and other liabilities can be met as they fall due.

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2003

1 CHARITABLE STATUS

The company is a registered charity, number 511149.

2 LEASE OF CHATSWORTH

On 10 April 1981, the company took an assignment of a lease of Chatsworth House with its essential contents, garden and park for the remainder of a term of 99 years from 31 March 1981 at an annual rent of £1, subject to a sublease from the Trustees of the Chatsworth Settlement to the Duke of Devonshire of the private suite within Chatsworth House. The sublease is for a period of 99 years from 25 March 1980 at a rent fixed by an independent firm of Chartered Surveyors at five yearly reviews.

Under a lease dated 15 April 1994, the company leases 253 acres of woodland around the perimeter of the park at Chatsworth. The company was granted the growing trees within the area of both this lease and also the said lease of Chatsworth House and its garden and park and became responsible for these woods on 1 April 1994.

3 SERVICES PROVIDED BY THE TRUSTEES OF THE CHATSWORTH SETTLEMENT

Under a service agreement, the Trustees of the Chatsworth Settlement provide such staff as the company requires at the cost to the Trustees including a due portion of operating overheads. During the year the average number of staff involved was 113 (2002 – 110). No staff earned more than £50,000 per year.

4 REVENUE FROM CHATSWORTH

	2003	2002
Amounts receivable from admissions	2,964,706	2,354,427
Income from park events	1,006,027	713,579
Other income	595,745	519,121
	<u>£4,566,478</u>	<u>£3,587,127</u>

5 DONATIONS

	2003	2002
Capital donations to the Art Purchases Fund	850,734	845,961
	<u>£850,734</u>	<u>£845,961</u>

6 GRANTS RECEIVABLE

	2003	2002
Revenue grant from the Devonshire Charitable Trust	0	60,000
	<u>£0</u>	<u>£60,000</u>

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2003 (continued)

	General Fund	Art Purchases Fund	Total 2003	Total 2002
7 INVESTMENT INCOME				
Income from quoted investments:				
- UK fixed interest stocks	83,870	57,436	141,306	197,923
- UK equities	138,874	80,649	219,523	187,401
- Overseas stocks	16,055	9,028	25,083	38,170
Interest on cash with broker	58,483	61,668	120,151	150,174
Other UK bank interest	45,848	-	45,848	33,938
	<u>£343,130</u>	<u>£208,781</u>	<u>£551,911</u>	<u>£607,606</u>
8 DIRECT CHARITABLE EXPENDITURE			2003	2002
Admissions expenses			1,152,449	798,182
Expenses of park events			632,155	448,543
Maintenance of the art collection			170,014	145,923
Maintenance of the garden, park and woods			832,061	748,291
General upkeep of the house			852,136	759,425
Special repair expenditure			405,979	217,541
General Insurance			202,791	123,166
			<u>£4,247,585</u>	<u>£3,241,071</u>
9 MANAGEMENT AND ADMINISTRATION OF THE CHARITY			2003	2002
General management costs			646,426	558,576
Legal and professional fees			87,237	66,281
Non recoverable tax on investment income			4,809	7,031
			<u>£738,472</u>	<u>£631,888</u>
10 NET INCOME BEFORE TAXATION			2003	2002
The net income before taxation is stated after charging:				
Depreciation			£186,682	£171,884
(Profit) on sale of tangible assets			£(1,116)	£(374)
Hire of plant and machinery			£16,509	£22,627
Council members' remuneration			Nil	Nil
Auditors' remuneration			£9,690	£9,455
			<u></u>	<u></u>

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2003 (continued)

11 TAXATION

The taxation charge relates to overseas tax deducted from foreign dividends. The company is not subject to United Kingdom corporation tax because of its charitable status.

12 TANGIBLE ASSETS

	LONG LEASEHOLD BUILDINGS	ART TREASURES	EQUIPMENT AND VEHICLES	TOTAL
COST				
At 1 April 2002	1,418,835	1,447,410	1,343,993	4,210,238
Additions	0	249,344	122,791	372,135
Disposals	0	0	(22,700)	(22,700)
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At 31 March 2003	1,418,835	1,696,754	1,444,084	4,559,673
	<hr/>	<hr/>	<hr/>	<hr/>
ACCUMULATED DEPRECIATION				
At 1 April 2002	528,382	0	874,096	1,402,478
Charge for the year	56,669	0	130,013	186,682
Disposals	0	0	(22,190)	(22,190)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	585,051	0	981,919	1,566,970
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK AMOUNTS				
31 March 2003	<u>£833,784</u>	<u>£1,696,754</u>	<u>£462,165</u>	<u>£2,992,703</u>
31 March 2002	<u>£890,453</u>	<u>£1,447,410</u>	<u>£469,897</u>	<u>£2,807,760</u>

The Council Members believe that the current value of Art Treasures is at least the amount carried in the accounts.

All the above tangible assets are applied for direct charitable purposes.

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2003 (continued)

13 INVESTMENTS	General Fund	Art Purchases Fund	Total 2003	Total 2002
Market value at 1 April 2002	9,984,878	6,265,214	16,250,092	16,898,646
Acquired during the year, at cost	1,241,132	1,198,750	2,439,882	4,470,433
Disposals at cost	(1,226,024)	(644,471)	(1,870,495)	(3,843,675)
Unrealised (loss) for the year	(2,155,524)	(1,244,798)	(3,400,322)	(987,710)
(Decrease)/increase in cash with broker	(250,668)	220,044	(30,624)	(287,602)
Market value at 31 March 2003	£7,593,794	£5,794,739	£13,388,533	£16,250,092
The investments, which are all listed on recognised stock exchanges, and stated at market value, comprised:				
UK fixed interest stocks	1,650,375	923,480	2,573,855	1,972,344
UK equities	3,284,169	2,068,282	5,352,451	7,836,327
Total sterling	4,934,544	2,991,762	7,926,306	9,808,671
Overseas stocks - USA	583,104	444,161	1,027,265	1,437,769
- Europe	309,101	160,417	469,518	887,807
- Far East	249,228	120,400	369,628	534,671
- Currency	0	496,941	496,941	451,675
Total securities	6,075,977	4,213,681	10,289,658	13,120,593
Cash balances	1,517,817	1,581,058	3,098,875	3,129,499
Total market value	£7,593,794	£5,794,739	£13,388,533	£16,250,092
Cost	£6,042,643	£7,161,349	£13,203,992	£12,665,229

Individual investments representing over 5% by value of the total portfolio at 31 March 2003 were as follows:

Nationwide Money Market Account	£2,875,000
EIB 5.5% Bonds 2009	£693,420
Treasury 6.25% Stock 2010	£680,400

Also the company owns 100% of the shares of The Chatsworth Estates Company, an unlimited company; the shares were acquired for no consideration. In the opinion of the directors group accounts would be of no real value to members in view of the insignificant amounts involved and so group accounts have not been prepared. At 31 March 2003 the net assets of The Chatsworth Estates Company amounted to £8,898 (2002 - £8,995) and the loss for the year then ended was £97 (2002 - loss of £130); 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.

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2003 (continued)

14 STOCKS	2003	2002
Stores	70,071	81,846
Livestock	3,194	3,285
	<u>£73,265</u>	<u>£85,131</u>

15 DEBTORS	2003	2002
Trade debtors	61,398	133,258
Prepayments and accrued debtors	64,438	33,475
Other debtors	99,011	67,943
UK taxation recoverable	1,621	2,387
	<u>£226,468</u>	<u>£237,063</u>

There were no debtors falling due after more than one year.

16 CREDITORS	2003	2002
Amounts falling due within one year:		
The Trustees of the Chatsworth Settlement	155,250	193,193
Other trade creditors	353,313	294,268
Accruals	2,377	2,564
	<u>£510,940</u>	<u>£490,025</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund	Art Purchases Fund	Total
Tangible fixed assets	2,423,049	569,654	2,992,703
Investments	7,593,794	5,794,739	13,388,533
Net current assets	434,312	10,192	444,504
Net assets at 31 March 2003	<u>£10,451,155</u>	<u>£6,374,585</u>	<u>£16,825,740</u>

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2003 (continued)

18 GENERAL FUND

The company's general fund was established by gifts from the Duke of Devonshire, Lord Hartington and the Duke of Devonshire's Charitable Trust.

The reserves of the fund comprise:	Revaluation reserve	Revenue reserve	Total
At 1 April 2002	3,706,675	9,172,317	12,878,992
Unrealised losses on investments	(2,155,524)	0	(2,155,524)
Realised losses on investments	0	(216,026)	(216,026)
Net incoming resources	0	(56,287)	(56,287)
At 31 March 2003	£1,551,151	£8,900,004	£10,451,155

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

19 ART PURCHASES FUND

The company has established a fund intended to generate income primarily for the purchase of works of art though the fund may be used for other purposes at the discretion of the Council of Management.

The reserves of the fund comprise:	Revaluation reserve	Revenue reserve	Total
At 1 April 2002	(121,812)	6,809,501	6,687,689
Unrealised losses on investments	(1,244,798)	0	(1,244,798)
Realised losses on investments	0	(107,659)	(107,659)
Net incoming resources	0	1,039,353	1,039,353
At 31 March 2003	£(1,366,610)	£7,741,195	£6,374,585

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

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2003 (continued)

20 COMPANY STATUS

The company is limited by guarantee. Each member has undertaken to contribute to the assets of the company, in the event of its being wound up while he is a member, or within one year after he ceases to be a member, an amount not exceeding £5,000. At 31 March 2003 there were six (2002 - six) members.

21 PENSIONS

There is a liability to provide pensions for the period since 12 April 1981 for the eligible employees of the Trustees of the Chatsworth Settlement on secondment to the Company.

The pension scheme of the Trustees of the Chatsworth Settlement provides benefits based on final pensionable salary.

As disclosed in the accounting policies on page 10, the pension scheme is largely unfunded and the liability cannot be ascertained in the absence of an actuarial valuation.

Pension fund contributions during the year amounted to £ Nil (2002 - £ Nil). Pensions paid to former employees and charged against income in the year amounted to £32,267 (2002 - £27,480).

22 OTHER INFORMATION

Mr N W Smith, who was a Member of the Council during the year, was also a partner in Currey & Co, the Secretaries and solicitors to the company, who received fees from the company amounting to £25,300 (2002 - £24,550).

23 RECONCILIATION OF OPERATING DEFICIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003	2002
Operating deficit	(371,775)	(246,792)
Depreciation charges	186,682	171,884
(Profit) on sale of fixed assets	(1,116)	(374)
Decrease/(increase) in stocks	11,866	(10,079)
(Increase)/decrease in debtors	(73,102)	146,101
Increase/(decrease) in creditors	20,915	(175,794)
Net cash outflow from operating activities	£(226,530)	£(115,054)

24 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003	2002
(Decrease)/increase in cash in the year	(20,949)	307,476
Net funds at 1 April 2002	676,660	369,184
Net funds at 31 March 2003	£655,711	£676,660

CHATSWORTH HOUSE TRUST

DETAILED REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

INCOME	2003	2002
Admissions: House and Garden	1,741,884	1,526,526
Garden only	371,651	338,002
Farmyard	403,700	260,043
Car parking	142,369	135,298
Friends of Chatsworth	89,657	84,333
Guidebooks	140,742	10,225
Special events	74,703	0
	<hr/> 2,964,706	<hr/> 2,354,427
Franchise income	356,671	358,674
Income from park events	1,006,027	713,579
Produce and shop sales	159,819	106,291
Rental and sundry income	79,255	54,156
	<hr/> £4,566,478	<hr/> £3,587,127
EXPENSES		
Admissions expenses	1,152,449	798,182
Expenses of park events	632,155	448,543
<u>General upkeep</u>		
Domestic services	129,536	122,865
Furniture and soft furnishings	33,524	26,383
Security	186,145	171,825
Engineering services and fuel	65,511	71,257
General repairs and maintenance	380,751	310,426
Depreciation of stables buildings	56,669	56,669
	<hr/> 852,136	<hr/> 759,425
<u>Maintenance costs</u>		
Art collection	170,014	145,923
Garden	629,677	588,930
Park	196,747	155,764
Woodlands	5,637	3,597
	<hr/> 1,002,075	<hr/> 894,214
Administration and overheads	893,459	716,014
	<hr/> £4,532,274	<hr/> £3,616,378
SURPLUS/(DEFICIT) BEFORE SPECIAL JOBS	34,204	(29,251)
Special repair jobs	405,979	217,541
OPERATING DEFICIT FOR THE YEAR	£(371,775)	£(246,792)