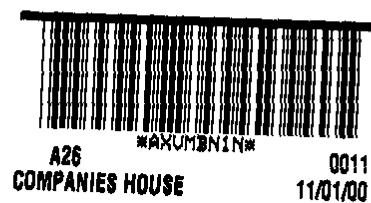


CHATSWORTH HOUSE TRUST

REPORT AND ACCOUNTS

31 MARCH 1999



## 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 1999.

### 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

Sir Martyn Beckett

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.

The Duchess of Devonshire is the director who retires by rotation and, being eligible, offers herself 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.

## **CHATSWORTH HOUSE TRUST**

### **REPORT OF THE COUNCIL OF MANAGEMENT (continued)**

#### **BANKERS**

The company's bankers are the National Westminster Bank, 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 the end of October and much of the park is open every day of the year.

#### **BUSINESS REVIEW**

The general fund incurred an operating deficit of £551,465 (1998 - £448,236) on opening the House, gardens and park to the public.

The general fund also received revenue grants of £60,000 (1998 - £60,000) and investment income of £379,884 (1998 - £382,266). After crediting realised and unrealised gains on investments, the total increase in value of the general fund was £622,401 (1998 - £1,510,883).

The art purchases fund accepted donations of £689,610 (1998 - £1,374,285) and received investment income of £120,333 (1998 - £80,459). The fund made an interim payment towards the purchase of a sculpture by Angela Conner. After charging realised losses and crediting realised gains on investments, the total increase in value of the art purchases fund was £1,116,956 (1998 - £1,785,627).

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	
	1999	1998
(i) Operating deficit from Chatsworth	(551,465)	(448,236)
Add: revenue grants receivable and investment income net of taxation	430,671	429,979
	<hr/>	<hr/>
Revenue (deficit) after other income	£(120,794)	£(18,257)
(Net incoming resources per page 5)	<hr/>	<hr/>

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

(ii) General fund - investments and cash balances	£10,668,551	£9,873,551
	<hr/>	<hr/>
Art purchases fund - investments and cash balances	£4,011,030	£2,817,239
	<hr/>	<hr/>

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 £32,915 (1998 - £31,199). After taking this into account, the cumulative amount of investment income available to spend on art purchases is £212,103 (1998 - £96,750).

### YEAR 2000

The directors recognise the reliance of the business on its own computer systems as well as those of its customers and suppliers, and the commercial risks of computer failure due to the impact of Year 2000. The directors and members of senior management are working to identify such issues and the means to address them, and believe that the costs expected to be incurred in this respect are unlikely to be material to the company.

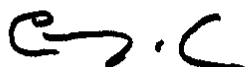
### CHARITABLE DONATIONS

Charitable donations amounted to £50,000 during the year (1998 - £50,000).

### EMPLOYEES

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

Order of the Council



**PricewaterhouseCoopers**

Victoria House  
76 Milton Street  
Nottingham NG1 3QY  
Telephone +44 (0) 115 947 3000  
Facsimile +44 (0) 115 947 2660

**Auditors' report to the members of  
Chatsworth House Trust**

We have audited the accounts on pages 5 to 17 which have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out on pages 9 and 10.

***Respective responsibilities of Directors and Auditors***

The Directors are responsible for preparing the Annual Report, including as described on page 1 the accounts. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the accounts, 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts.

***Basis of audit opinion***

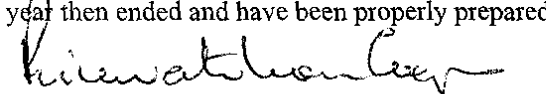
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by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

***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 accounts give a true and fair view of the state of the Company's affairs at 31 March 1999, its statement of financial activities, income and expenditure and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors

CHATSWORTH HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 1999

	Notes	General Fund	Art Purchases Fund	Total 1999	Total 1998
<b>INCOMING RESOURCES</b>					
Revenue from Chatsworth	4	2,838,526	-	2,838,526	2,771,219
Donations and gifts	5	-	689,610	689,610	1,374,285
Grants receivable	6	60,000	-	60,000	263,276
Investment income	7	379,884	120,333	500,217	462,725
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL INCOMING RESOURCES</b>		<b>3,278,410</b>	<b>809,943</b>	<b>4,088,353</b>	<b>4,671,505</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>RESOURCES EXPENDED</b>					
Direct charitable expenditure	8	(2,830,125)	-	(2,830,125)	(2,636,933)
Management and administration of the charity	9	(569,079)	(3,264)	(572,343)	(596,234)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL RESOURCES EXPENDED</b>		<b>(3,399,204)</b>	<b>(3,264)</b>	<b>(3,402,468)</b>	<b>(3,233,167)</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET (OUTGOING)/INCOMING RESOURCES</b>		<b>(120,794)</b>	<b>806,679</b>	<b>685,885</b>	<b>1,638,338</b>
<b>GAINS ON INVESTMENT ASSETS</b>					
Realised gains/(losses)		64,473	(37,374)	27,099	(14,371)
Unrealised gains		678,722	347,651	1,026,373	1,672,543
		<hr/>	<hr/>	<hr/>	<hr/>
<b>NET MOVEMENT IN FUNDS</b>		<b>622,401</b>	<b>1,116,956</b>	<b>1,739,357</b>	<b>3,296,510</b>
<b>FUND BALANCES BROUGHT FORWARD AT 1 APRIL 1998</b>					
		13,246,162	2,945,188	16,191,350	12,894,840
		<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES CARRIED FORWARD AT 31 MARCH 1999</b>		<b>£13,868,563</b>	<b>£4,062,144</b>	<b>£17,930,707</b>	<b>£16,191,350</b>
		<hr/>	<hr/>	<hr/>	<hr/>

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 1999

	Notes	1999	1998
Revenue from Chatsworth	4	2,838,526	2,771,219
Donations	5	689,610	1,374,285
Grants receivable	6	60,000	263,276
Investment income	7	500,217	462,725
		<u>1,249,827</u>	<u>2,100,286</u>
TOTAL INCOME		4,088,353	4,871,505
Total expenditure		(3,389,991)	(3,219,455)
NET INCOME BEFORE INVESTMENT ASSET DISPOSALS		698,362	1,652,050
Gain/(loss) on disposals of investments		27,099	(14,371)
NET INCOME BEFORE TAXATION	10	725,461	1,637,679
Taxation	11	(12,477)	(13,712)
NET INCOME FOR THE YEAR		<u>£712,984</u>	<u>£1,623,967</u>

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 1999

	Notes	1999	1998
<b>FIXED ASSETS</b>			
Tangible assets	12	2,794,958	2,864,261
Investments	13	14,679,581	12,688,724
		<hr/>	<hr/>
		17,474,539	15,552,985
<b>CURRENT ASSETS</b>			
Stocks	14	50,290	42,928
Debtors	15	189,923	352,567
Cash at bank and in hand		765,297	710,995
		<hr/>	<hr/>
		1,005,510	1,106,490
<b>CREDITORS</b> (Amounts falling due within one year)	16	(549,342)	(468,125)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		456,168	638,365
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	17	<hr/> £17,930,707	<hr/> £16,191,350
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
General fund	18	13,868,563	13,246,162
Art purchases fund	19	4,062,144	2,945,188
		<hr/>	<hr/>
		£17,930,707	£16,191,350
		<hr/>	<hr/>

Approved by the Council on 16 December 1999



J.W. Smith  
Council Member



CHATSWORTH HOUSE TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999	1998
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	23	(349,601)	(367,243)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Bank interest received	176,029	195,430	
Quoted investment income received	342,876	249,376	
		<hr/>	<hr/>
NET CASH INFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		518,905	444,806
TAXATION			
Foreign tax suffered by deduction	(12,477)	(13,712)	
		<hr/>	<hr/>
TAX PAID		(12,477)	(13,712)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	(94,520)	(649,791)	
Receipts from sales of tangible fixed assets	14,669	450	
Payments to acquire investments	(3,152,536)	(3,340,592)	
Receipts from sale of investments	2,215,151	2,285,570	
		<hr/>	<hr/>
NET CASH (OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(1,017,236)	(1,704,363)
		<hr/>	<hr/>
NET CASH (OUTFLOW) BEFORE FINANCING		(860,409)	(1,640,512)
FINANCING			
Grants	135,491	287,785	
Donations - art purchases fund	779,200	1,069,737	
		<hr/>	<hr/>
NET CASH INFLOW FOR FINANCING		914,711	1,357,522
		<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH AND NET FUNDS	24	£54,302	£(282,990)
		<hr/>	<hr/>

## **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 for Accounting by Charities issued in October 1995.

#### **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. Cash balances held by the investment managers have been reclassified into investments. 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.

## CHATSWORTH HOUSE TRUST

### ACCOUNTING POLICIES (continued)

#### 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.

#### 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

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 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 Company has an unfunded liability which cannot be quantified in the absence of an actuarial valuation and the Council of Management is of the opinion that the costs of obtaining a valuation are out of proportion to the usefulness of the information to the members.

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 1999

### 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.

### 4 REVENUE FROM CHATSWORTH

	1999	1998
Amounts receivable from admissions	1,868,705	1,832,234
Income from park events	573,434	575,372
Other income	396,387	363,613
	<hr/>	<hr/>
	£2,838,526	£2,771,219
	<hr/>	<hr/>

### 5 DONATIONS

	1999	1998
Capital donations to the Art Purchases Fund	689,610	1,374,285
	<hr/>	<hr/>
	£689,610	£1,374,285
	<hr/>	<hr/>

### 6 GRANTS RECEIVABLE

	1999	1998
Revenue grant from the Devonshire Charitable Trust	60,000	60,000
Special grant from the Devonshire Charitable Trust for capital expenditure	-	203,276
	<hr/>	<hr/>
	£60,000	£263,276
	<hr/>	<hr/>

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 1999 (continued)

	General	Art	Total	Total
	Fund	Purchases	1999	1998
		Fund		
<b>7 INVESTMENT INCOME</b>				
Income from quoted investments:				
- UK fixed interest stocks	129,950	12,500	142,450	137,233
- UK equities	71,296	44,978	116,274	109,526
- Foreign income dividends	30,569	12,825	43,394	31,622
- Overseas stocks	42,065	5,476	47,541	23,126
Interest on cash with broker	45,751	48,609	94,360	113,883
Other UK bank interest	80,745	-	80,745	82,471
Less: investment management fees	(20,492)	(4,055)	(24,547)	(35,136)
	<u>£379,884</u>	<u>£120,333</u>	<u>£500,217</u>	<u>£462,725</u>
<b>8 DIRECT CHARITABLE EXPENDITURE</b>			<b>1999</b>	<b>1998</b>
Admissions expenses			346,546	320,813
Expenses of park events			387,318	375,194
Maintenance of the art collection			139,926	94,959
Maintenance of the garden, farmyard, park and woods			905,273	876,479
General upkeep of the house			578,699	529,002
Special repair expenditure			472,363	440,486
			<u>£2,830,125</u>	<u>£2,636,933</u>
<b>9 MANAGEMENT AND ADMINISTRATION OF THE CHARITY</b>			<b>1999</b>	<b>1998</b>
General management costs			414,618	431,005
Insurance			113,891	121,042
Legal and professional fees			31,357	30,475
Non recoverable tax on investment income			12,477	13,712
			<u>£572,343</u>	<u>£596,234</u>
<b>10 NET INCOME BEFORE TAXATION</b>			<b>1999</b>	<b>1998</b>
The net income before taxation is stated after charging:				
Depreciation			£159,749	£113,221
(Profit)/loss on sale of tangible assets			£(10,595)	£50
Hire of plant and machinery			£16,173	£10,740
Council members' remuneration			Nil	Nil
Auditors' remuneration			£8,825	£8,570
			<u></u>	<u></u>

**11 TAXATION**

The taxation charge relates to overseas tax deducted from foreign dividends and UK tax deducted from foreign income 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
<b>COST</b>				
At 1 April 1998	1,418,835	1,158,299	1,154,736	3,731,870
Additions	-	1,716	92,804	94,520
Disposals	-	-	(66,955)	(66,955)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	1,418,835	1,160,015	1,180,585	3,759,435
	<hr/>	<hr/>	<hr/>	<hr/>
<b>ACCUMULATED DEPRECIATION</b>				
At 1 April 1998	301,706	-	565,903	867,609
Charge for the year	56,669	-	103,080	159,749
Disposals	-	-	(62,881)	(62,881)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1999	358,375	-	606,102	964,477
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET BOOK AMOUNTS</b>				
31 March 1999	<u>£1,060,460</u>	<u>£1,160,015</u>	<u>£574,483</u>	<u>£2,794,958</u>
31 March 1998	<u>£1,117,129</u>	<u>£1,158,299</u>	<u>£588,833</u>	<u>£2,864,261</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 1999 (continued)

13	INVESTMENTS	General Fund	Art Purchases Fund	Total 1999	Total 1998
	Market value at 1 April 1998	9,873,551	2,815,173	12,688,724	9,760,592
	Acquired during the year, at cost	1,860,567	1,291,969	3,152,536	3,555,531
	Disposals at cost	(1,744,289)	(443,763)	(2,188,052)	(2,299,942)
	Unrealised gain for the year	678,722	347,651	1,026,373	1,672,543
		<hr/>	<hr/>	<hr/>	<hr/>
	Market value at 31 March 1999	£10,668,551	£4,011,030	£14,679,581	£12,688,724
		<hr/>	<hr/>	<hr/>	<hr/>
The investments, which are all listed on recognised stock exchanges, and stated at market value, comprised:					
	UK fixed interest stocks	2,469,664	551,670	3,021,334	1,731,970
	UK equities	6,437,027	2,874,211	9,311,238	7,998,397
		<hr/>	<hr/>	<hr/>	<hr/>
	Total sterling	8,906,691	3,425,881	12,332,572	9,730,367
		<hr/>	<hr/>	<hr/>	<hr/>
	Overseas stocks - US dollars	732,931	-	732,931	1,040,033
	- Euro	363,692	86,070	449,762	-
	- German deutschmarks	-	-	-	142,370
	- Swiss francs	-	-	-	160,602
	- French francs	-	-	-	302,826
	- Dutch guilders	-	-	-	80,550
	- Hong Kong dollars	-	-	-	97,496
		<hr/>	<hr/>	<hr/>	<hr/>
	Total securities	10,003,314	3,511,951	13,515,265	11,554,244
		<hr/>	<hr/>	<hr/>	<hr/>
	Cash balances	665,237	499,079	1,164,316	1,134,480
		<hr/>	<hr/>	<hr/>	<hr/>
	Total market value	£10,668,551	£4,011,030	£14,679,581	£12,688,724
		<hr/>	<hr/>	<hr/>	<hr/>
	Cost	£6,144,646	£3,218,571	£9,363,217	£8,398,733
		<hr/>	<hr/>	<hr/>	<hr/>

Individual investments representing over 5% by value of the total portfolio at 31 March 1999 were as follows:

Smith & Williamson Smaller Securities Trust	£852,930
6.25% Treasury Stock 2010	£690,840

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 1999 the net assets of The Chatsworth Estates Company amounted to £9,105 (1998 - £9,423) and the loss for the year then ended was £318 (1998 - profit of £82); 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 1999 (continued)

14	STOCKS	1999	1998
	Stores	46,508	36,308
	Livestock	3,782	6,620
		<hr/>	<hr/>
		£50,290	£42,928
		<hr/>	<hr/>

15	DEBTORS	1999	1998
	Trade debtors	149,989	130,195
	Prepayments and accrued debtors	35,421	34,994
	UK taxation recoverable	4,513	111,887
	Grant receivable	-	75,491
		<hr/>	<hr/>
		£189,923	£352,567
		<hr/>	<hr/>

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

16	CREDITORS	1999	1998
	Amounts falling due within one year:		
	The Trustees of the Chatsworth Settlement	176,518	153,221
	Other trade creditors	372,824	303,727
	Accruals	-	11,177
		<hr/>	<hr/>
		£549,342	£468,125
		<hr/>	<hr/>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund	Art Purchases Fund	Total
Tangible fixed assets	2,762,043	32,915	2,794,958
Investments	10,668,551	4,011,030	14,679,581
Net current assets	437,969	18,199	456,168
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 1999	£13,868,563	£4,062,144	£17,930,707
	<hr/>	<hr/>	<hr/>



## NOTES TO THE ACCOUNTS - 31 MARCH 1999 (continued)

## 18 GENERAL FUND

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

The reserves of the fund comprise:

	Revaluation reserve	Revenue reserve	Total
At 1 April 1998	3,845,183	9,400,979	13,246,162
Unrealised gains on investments	678,722	-	678,722
Realised gains on investments	-	64,473	64,473
Net (outgoing) resources	-	(120,794)	(120,794)
	<hr/>	<hr/>	<hr/>
At 31 March 1999	£4,523,905	£9,344,658	£13,863,563
	<hr/>	<hr/>	<hr/>

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 1998	444,808	2,500,380	2,945,188
Unrealised gains on investments	347,651	-	347,651
Realised losses on investments	-	(37,374)	(37,374)
Net incoming resources	-	806,679	806,679
	<hr/>	<hr/>	<hr/>
At 31 March 1999	£792,459	£3,269,685	£4,062,144
	<hr/>	<hr/>	<hr/>

The revaluation reserve represents the excess 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 1999 (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 1999 there were six (1998 - six) members.

21 PENSIONS

There is a liability to provide pensions for the period from 12 April 1981 to 31 March 1999 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 unfunded and the liability cannot be ascertained in the absence of an actuarial valuation.

Pension fund contributions during the year amounted to £ Nil (1998 - £ Nil). Pensions paid to former employees and charged against income in the year amounted to £15,032 (1998 - £14,194).

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 £22,140 (1998 - £21,380).

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

	1999	1998
Operating deficit	(551,465)	(448,236)
Depreciation charges	159,749	113,221
(Profit)/loss on sale of fixed assets	(10,595)	50
(Increase)/decrease in stocks	(7,362)	2,860
(Increase) in debtors	(21,145)	(63,751)
Increase in creditors	81,217	28,613
	<hr/>	<hr/>
Net cash outflow from operating activities	£(349,601)	£(367,243)
	<hr/>	<hr/>

24 RECONCILIATION OF NET CASH FLOW TO  
MOVEMENT IN NET FUNDS

	1999	1998
Increase/(decrease) in cash in the year	54,302	(282,990)
Net funds at 1 April 1998	710,995	993,985
	<hr/>	<hr/>
Net funds at 31 March 1999	£765,297	£710,995
	<hr/>	<hr/>

CHATSWORTH HOUSE TRUST - DETAILED REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

INCOME	1999	1998
Admissions: House and Garden	1,172,487	1,223,749
Garden only	226,080	254,232
Farmyard	306,328	192,977
Car parking	112,058	122,401
Friends of Chatsworth	51,752	38,875
	<hr/> 1,868,705	<hr/> 1,832,234
Franchise income	249,627	243,926
Income from park events	573,434	575,372
Produce and shop sales	111,520	89,701
Rental and sundry income	35,240	29,986
	<hr/> £2,838,526	<hr/> £2,771,219
<b>EXPENSES</b>		
Admissions expenses	346,546	320,813
Expenses of park events	387,318	375,194
Farmyard upkeep and shop expenses	272,184	222,773
<u>General upkeep</u>		
Domestic services	107,920	98,453
Furniture and soft furnishings	24,633	17,958
Security	126,559	116,493
Engineering services and fuel	46,710	49,605
General repairs and maintenance	216,208	203,693
Depreciation of restaurant building	56,669	42,800
	<hr/> 578,699	<hr/> 529,002
Special repair jobs	472,363	440,486
<u>Maintenance costs</u>		
Art collection	139,926	94,959
Garden	491,399	494,790
Park	133,763	157,878
Woodlands	7,927	1,038
	<hr/> 773,015	<hr/> 748,665
<b>TOTAL RUNNING COSTS</b>	<hr/> 2,830,125	<hr/> 2,636,933
<b>GROSS SURPLUS</b>	8,401	134,286
Administration and overheads	(559,866)	(582,522)
	<hr/>	<hr/>
<b>OPERATING DEFICIT FOR THE YEAR</b>	<hr/> £(551,465)	<hr/> £(448,236)