

CHATSWORTH HOUSE TRUST

Annual report and consolidated financial statements

for the period ended 31 March 2016

Registered Charity Number 511149

Registered Company Number 01541046



CHATSWORTH

FRIDAY



L5LXE4M0

LD3

16/12/2016

#36

COMPANIES HOUSE

CHATSWORTH HOUSE TRUST

Annual report and financial statements

For the period ended 31 March 2016

Contents

Legal and administration details for the period ended 31 March 2016.....	1
Report of the Council of Management, incorporating the	
Strategic Report for the period ended 31 March 2016.....	2
Independent auditors' report to the Members of Chatsworth House Trust.....	11
Consolidated Statement of financial activities for the period ended 31 March 2016	13
Consolidated and Company Balance sheets as at 31 March 2016	14
Consolidated Statement of Cash Flows for the period ended 31 March 2016	15
Accounting policies for the period ended 31 March 2016	16
Notes to the accounts for the period ended 31 March 2016.....	20

CHATSWORTH HOUSE TRUST

Legal and administration details for the period ended 31 March 2016

Charity number

511149

Trustees/Directors (Council of Management)

The Duke of Devonshire – Chairman

The Duchess of Devonshire

The Hon. Mrs L Chetwode

Mr H M Wyndham

Mr J G E Monson

Mr E R H Perks

Mr J D S Booth

Mr M W Fane (appointed 28 October 2015)

Secretary

Mr A C Lavery

Key Management Personnel

Chief Executive Officer – Mr R H Reynolds

Chief Operating Officer – Mr E A D Cadogan

Chief Financial Officer – Mr A C Lavery (from 1 September 2015), Mr M Terry (until 30 June 2015)

Registered office

The Estate Office

Edensor

Bakewell

Derbyshire

DE45 1PJ

Independent Auditors

Saffery Champness

71 Queen Victoria Street

London

EC4V 4BE

Solicitors

Currey & Co LLP

33 Queen Anne Street

London

W1G 9HY

Bankers

The Royal Bank of Scotland plc

The Square

Bakewell

Derbyshire

DE45 1BT

Investment advisors

Smith & Williamson Investment Management Limited

25 Moorgate

London

EC2R 6AY

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016

The Members of the Council of Management, who are also directors and trustees for the purpose of the Companies and Charities Acts, have pleasure in presenting their report together with the audited financial statements for the period ended 31 March 2016.

The information with respect to the Council of Management (hereafter referred to as the Council), officers and advisors set out on page 1 forms part of this report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Chatsworth House Trust is a company limited by guarantee incorporated in the United Kingdom, number 01541046, on the 23 January 1981 and governed by its Memorandum and Articles of Association. It is also a registered charity, number 511149. The liability of each member in the event of winding up is limited to £5,000.

Charity Trustees, Directors and Members of the Council of Management

The following served on the Council during the period and up to the date of signing the financial statements.

- * The 12th Duke of Devonshire - Chairman
- * Duchess of Devonshire
The Hon. Mrs L Chetwode
Mr H M Wyndham
Mr J G E Monson
Mr E R H Perks
Mr J D S Booth
Mr M W Fane

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

Mr Monson, Mr Booth and Mr Perks are also members of the Finance, Audit and Conflicts Committee and also sit on the Investment Committee. The Duke and Duchess of Devonshire, The Hon. Mrs L Chetwode and Mr Wyndham are members of the Conservation Committee.

Appointment of Members

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

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

Membership of the Council is determined with a view to ensuring responsible oversight of the purposes of the Chatsworth House Trust.

New Member Induction and Training

New members undergo an orientation day to brief them on their legal obligations under charity and company law, the Charity Commission guidance on public benefit, content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the charity. During the induction day they meet key employees and other members. Members are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Report of the Council of Management for the period ended 31 March 2016 (continued)

The charity Council consists of the directors and charity trustees. The number of the Members of the Council shall not be less than 5 and no more than 8.

```
graph TD; CM[Council of Management] --- FAC[Finance, Audit and Conflicts Committee]; CM --- IC[Investment Committee]; CM --- CEO[Chief Executive Officer]; CM --- CC[Conservation Committee]; CM --- CHSC[Chatsworth Health and Safety Committee]; CEO -.->|Dashed| CEC[Chatsworth Environmental Committee]; CEO -.->|Dashed| H1[ ]; H1 -.->|Dashed| COO[Chief Operating Officer and Team]; H1 -.->|Dashed| CFO[Chief Financial Officer and Team]; H1 -.->|Dashed| LAT[Land Agent and Team]; H1 -.->|Dashed| HHR[Head of Group HR and Team];
```

3

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016 (continued)

OBJECTIVES AND ACTIVITIES

Objectives

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

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

Strategies and activities for achieving objectives

The charity holds a lease of Chatsworth House and its essential contents, with approximately 1,822 acres of land including the garden, park and woodland surrounding the House.

The Council have implemented the following activities to help achieve the objectives:

- Opening the house and gardens at Chatsworth every day from mid March to Christmas, keeping much of the park open every day of the year.
- Holding various events and exhibitions displaying collections of art, sculpture and other historic artefacts open to the general public.
- Offering educational programmes for school visits and self-led activities at the Farmyard linked to key elements of the school curriculum.
- Holding a popular annual Country Fair.
- Keeping the Park and Stand Wood open all year round for free public use.
- Holding international horse trials and other sporting events.
- Allowing use of grounds and buildings for other charity activities.
- Generate income for the preservation and restoration of Chatsworth House and its contents and for the purchase of works of art for the public benefit.

Public Benefit

The Council have considered and have taken due regard to the Charity Commission's revised guidance on public benefit and fee charging when reviewing the charity's activities and setting their objectives for the year.

Chatsworth enjoys the reputation of being "contemporary in its time" and engages visitors by providing both access and engaging experiences. Respecting this legacy, the Council aims to continue supporting Chatsworth's evolution and, in particular, programmes which refurbish, update and improve both the fabric of Chatsworth and its appeal to a diversity of visitors.

In 2015/16 Chatsworth continued to offer subsidised education rates and received 19,860 educational visitors across the house, garden, farmyard and adventure playground (2014: 23,732).

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016 (continued)

Public Benefit (continued)

Working through the Devonshire Educational Trust in 2015/16 the charity continued to be involved in a number of special educational projects. These included ARTiculation Discovery Days, the Armchair gallery (providing a virtual tour for people in care homes across Nottinghamshire) and a partnership with Derbyshire County Council to deliver a range of diverse learning opportunities to children in care. The charity also provides free facilities to the Devonshire Educational Trust which has a fund open to schools and other educational organisations to apply for financial support in meeting the cost of entry to our visitor attractions and/or transportation costs. In 2015/16 over 350 educational visitors benefited from this scheme, with support predominantly directed towards schools with a high percentage of pupils eligible to receive pupil premium.

The charity allows free public access to its parkland which provides picnic facilities and magnificent vistas on the banks of the river Derwent.

Statement of Council Members' Responsibilities

The Council members (who are also directors of Chatsworth House Trust for the purposes of company law) are responsible for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and the application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Council Members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and also with the requirements of the Statement of Recommended Practice issued by the Charity Commission (effective 1 January 2015). They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Council Members are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the Council Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The charity's auditors are Saffery Champness, who are willing to continue in office. A resolution will be submitted to the forthcoming annual general meeting that they be re-appointed.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016 (continued)

STRATEGIC REPORT

Achievements and Performance

The Council considers that the charity's principal objectives of maintaining and preserving Chatsworth and opening the property to the public are being achieved.

Factors relevant to achieving objectives

The key performance indicators which the Council use to monitor whether the charity is achieving these objectives are:

- Visitor numbers and trends
- Completion of essential restoration and preservation work to the house and gardens
- Financial performance against income and expenditure targets

Visitor Numbers

The number of visitors to Chatsworth for the 15 month period to 31 March 2016 compared with 4 prior years was as follows:

	15 months to March 2016	2014	Calendar Year Ended		
			2013	2012	2011
Number of Visitors*	660,999	610,083	644,817	659,553	678,593

*Visitor numbers including estate passes

Special events and activities

The attendance and feedback from the various events that the charity organised and hosted, such as the annual Horse Trials, Country and Christmas Fairs, Sotheby's successful exhibition of sculpture in the grounds, the series of concerts and the bonfire night in the grounds was good.

The charity acquired works of art during the year to the value of £864,000 (2014: £272,000) to enhance the collection held.

Restoration and preservation work

The Master Plan is a major project of essential restoration and development intended to safeguard Chatsworth's heritage and continue its history.

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

The programme of work commenced in January 2007 and has now been extended to include work to the North Wing and the Lodges. The extended works will continue well into 2017. The current projected total cost of the project is £31.6m of which £24.5m had been spent at the balance sheet date. A further £7.1m will be spent in the current phase of the project which is due to finish towards the end of 2017.

Under the heading "Capital Commitments" within note 30 of these accounts, future expenditure commitments for the Master Plan programme are disclosed.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016 (continued)

Financial review

The Statement of Financial Activities is set out in detail on page 13. It shows that overall the charity had net resources expended of £1,194,000 for the year incurred from its activities as compared with net incoming resources of £1,107,000 in 2014. Of this, net resources expended of £2,317,000 were incurred in the General Fund and net incoming resources of £357,000 in the Art Purchases Fund, £16,000 in the Restricted Funds and £750,000 in the Endowment Fund.

Incoming resources

The charity has four principal sources of income.

The first, which represents the majority of income, is income generated from charitable activities. This is predominantly income from admissions to the house and gardens during its open season from mid-March to early January each year. The admissions income accounted for 61% (2014: 68%) of the charity's total incoming resources in 2015/16.

The Council expect that the present level of activity will be sustained for the foreseeable future and admissions income will continue to be the major source of funding for the charity.

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

The third main income stream is one-off grants and donations which this year amounted to £1,660,000 (2014: £330,000)

The fourth revenue stream is dividends, interest and rental income from its investments. See the investment objective and performance section below for more detail.

Resources expended

The charity's income has been applied in pursuance of its charitable purposes. The largest proportion of expenditure is on the costs of operating the house, admissions, general upkeep of the house and stables, and the maintenance of the garden park and woods; this accounted for 81% (2014: 88%) of total resources expended.

The charity also spent £2,975,000 (2014: £1,088,000) on the essential preservation and maintenance of the house and grounds under its Master Plan project.

Investment powers, policy and performance

Powers and policy:

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

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

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

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016 (continued)

Financial review (continued)

Investment powers, policy and performance (continued)

Performance review:

The General Fund received investment income of £386,000 (2014: £277,000) from its portfolio and £213,000 (2014: £174,000) from rental income from its property investments. In addition, the fund generated losses of £93,000 (2014: gain £116,000) in realised and unrealised losses during the year from its investment portfolio.

The Art Purchases Fund received investment income of £389,000 (2014: £272,000) from its investment portfolio. In addition, the fund generated losses of £97,000 (2014: gain £104,000) in realised and unrealised losses during the year.

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

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

	Total Return			
	2016 Actual	2016 Benchmark	2014 Actual	2014 Benchmark
General Fund	2.9%	3.7%	3.7%	6.2%
Art Purchases Fund	2.9%	3.7%	3.4%	6.2%

The investment committee review performance with the investment manager regularly. Over the period the investment committee is satisfied with the performance of the portfolio, having due regard to its defensive positioning and the uncertainties in the current market.

Overall result

After accounting for realised and unrealised gains on investments and on the pension scheme obligations, the total decrease in funds was £1,004,000 as compared to £317,000 increase in 2014. Of this, £2,030,000 (2014: £37,000) related to a decrease in the General Fund, £245,000 (2014: £354,000) to an increase in the designated Art Purchases Fund, £16,000 (2014: nil) to an increase in the Restricted Funds and £765,000 (2014: nil) to an increase in the Endowment Fund.

Reserves policy

It is the policy of the Council to hold and maintain sufficient reserves at Chatsworth, to cover:

- Sustained periods of bad weather or emergencies that might affect visitor numbers (e.g. foot and mouth outbreak);
- Obligations under the charity's lease;
- Pension obligations to former employees;
- Commitment to maintain a living collection of art;
- An ongoing liability for repairs and maintenance.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016 (continued)

Financial review (continued)

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

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

The charity had total reserves at the year end of £24,603,000 (2014: £25,607,000). Free reserves as at 31 March 2016 amounted to: £4,979,000 (2014: £7,797,000). Free reserves comprise assets that are available for expenditure in furtherance of the overall objects of the charity and the figure therefore excludes the Art Purchase Fund and other unrestricted funds which are tied up in tangible fixed assets and heritage assets. The Art Purchase Funds objective is to generate £250,000 of income per annum to acquire art.

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

Employees

As stated in note 28 to the accounts, staff are jointly employed by the charity and the Chatsworth Settlement. During the year the average number of staff involved was 143 (2014: 142). There were four staff members earning more than £60,000 per year, two falling into the £60,000-£70,000 band, one falling into the £80,000-£90,000 band and one falling into the £90,000-£100,000 band (2014: one member falling into the band £60,000-£70,000). Pension contributions for these staff members amounted to £10,715 (2014: £4,522).

The charity's policy for setting remuneration for executives and staff is to pay fair market rates given the nature and extent of responsibilities of the relevant staff members. Benchmarking surveys are undertaken periodically.

The charity's policies for recruitment, training, career development and promotion of employees are based on the role and capability of the individual and give those who are disabled equal treatment with the able bodied. In addition, the charity does not discriminate against employees or potential employees on the basis of race, colour, nationality, ethnic or national origin, religion, political beliefs, sex or marital status. Where appropriate, employees disabled after joining the charity are given suitable training for continuing employment with the charity or elsewhere.

Plans for the Future

The Council will continue to maintain and preserve Chatsworth for the benefit of the public. This will include respecting Chatsworth's legacy as a place of evolution and for being contemporary in its time. Enhancing and extending the visitor experience will remain central to protecting the financial health of the organisation and thus enable it to deal with the challenges and potential risks ahead. In the immediate future, the Council's priority is to complete the current phase of the Masterplan. Over that period, the Council will be considering ambitious plans to extend Chatsworth's renovation programme which include the stables and the gardens as well as enhancements to the overall visitor experience.

Risk Management

The Council of Management has reviewed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and the protection of Chatsworth House against major damage or loss to its structure or fabric.

The Council desires to achieve and maintain appropriate corporate governance and, acknowledging its ultimate responsibility for the operation of the charity and safeguarding the assets in its ownership, has appointed senior management (as detailed above) to manage the systems that are in place to identify and mitigate the exposure to the major strategic, business and operational risks.

CHATSWORTH HOUSE TRUST

Report of the Council of Management for the period ended 31 March 2016 (continued)

Financial review (continued)

Charitable Donations

The charity has close links with the Devonshire Educational Trust. During the year £97,185 (2014: £70,351) was donated to Devonshire Educational Trust. Devonshire Educational Trust is considered to be a related party and more fully explained in note 28.

Financial Risk

The charity is also exposed to price or liquidity risk through changes in interest rates and to the credit risk of the securities it holds. The Council have appointed qualified investment managers to manage this risk.

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



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

14 December 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHATSWORTH HOUSE TRUST

We have audited the financial statements of Chatsworth House Trust for the period ended 31 March 2016 set out on pages 13 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (FRS 102).

This report is made solely to the company's members and the trustees, 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 and trustees those matters we are required to state to them in an auditors' 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, the company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Council Members' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Companies Act 2006 and the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council Management to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure and cash flow, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Council of Management for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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



Timothy Adams (Senior Statutory Auditor)
For and on behalf of

Saffery Champness
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

14 December 2016

CHATSWORTH HOUSE TRUST

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure account) for the period ended 31 March 2016

		General Fund	Art Purchases Fund	Restricted Funds	Endowment Fund	Total Funds	Total Funds
	Notes	(unrestricted)	(unrestricted)		(restricted)	2016	2014
		£000	£000	£000	£000	£000	£000
Income from:							
Donations & Legacies	7	867	-	43	750	1,660	330
Charitable Activities	4	8,746	-	-	-	8,746	7,927
Trading activities	5	2,995	-	-	-	2,995	2,755
Investment income	6	599	389	-	-	988	723
Total		13,207	389	43	750	14,389	11,735
Expenditure on:							
Raising funds	8	1,363	32	-	-	1,395	999
Charitable activities	9	11,186	-	27	-	11,213	8,541
Preservation and Maintenance		2,975	-	-	-	2,975	1,088
Total		15,524	32	27	-	15,583	10,628
Net (losses)/gains on investments	17	(93)	(97)	-	-	(190)	220
Net (deficit)/income for the year		(2,410)	260	16	750	(1,384)	1,327
Transfer between funds		-	(15)	-	15	-	-
Other recognised gains and losses							
Actuarial gain/(losses) on pension scheme	27	380	-	-	-	380	(1,010)
Net movement of funds		(2,030)	245	16	765	(1,004)	317
Total funds brought forward		9,583	16,024	-	-	25,607	25,290
Total funds carried forward		7,553	16,269	16	765	24,603	25,607

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

All income and expenditure derive from continuing activities.


The comparative figures for 2014 are shown in note 2.

CHATSWORTH HOUSE TRUST

Consolidated and Company Balance Sheets as at 31 March 2016

	Notes	Group		Charity	
		2016	2014	2016	2014
		£000	£000	£000	£000
Fixed assets					
Fixed assets	14	1,831	1,785	1,831	1,785
Heritage Assets	15	6,611	5,747	6,611	5,747
Investment properties	16	2,461	2,461	2,461	2,461
Investments	17	19,780	19,963	19,780	19,963
Total Fixed Assets		30,683	29,956	30,683	29,956
Current assets					
Stocks	18	62	38	62	38
Debtors	19	1,205	994	1,417	994
Cash at bank and in hand		2,188	5,211	1,774	5,211
Total Current Assets		3,455	6,243	3,253	6,243
Creditors (Amounts falling due within one year)	20	(2,382)	(3,154)	(2,180)	(3,154)
Net current assets		1,073	3,089	1,073	3,089
Net assets excluding pension liability		31,756	33,045	31,756	33,045
Defined benefit pension scheme liability	27	(7,153)	(7,438)	(7,153)	(7,438)
Net assets		24,603	25,607	24,603	25,607
The funds of the charity:					
Unrestricted income funds:					
General Fund	23	7,553	9,583	7,553	9,583
Art Purchases Fund	24	16,269	16,024	16,269	16,024
Restricted Funds	25	16	-	16	-
Endowment Fund	26	765	-	765	-
		24,603	25,607	24,603	25,607

The financial statements on pages 13 to 35 were approved by the Council on *14 December* 2016 and were signed on its behalf by


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

CHATSWORTH HOUSE TRUST

Consolidated Statement of Cash Flows for the period ended 31 March 2016

	<i>Notes</i>	2016 <i>£000</i>	2014 <i>£000</i>
Cash flows from operating activities:			
Net cash from operating activities	29	(2,618)	619
Cash flows from investing activities:			
Income from investments		987	723
Proceeds from the sale of property, plant and equipment		4	15
Purchase of property, plant and equipment		(1,390)	(661)
Purchase of investments		(4,934)	(11,563)
Proceeds from sale of investments		5,251	10,652
Net cash used in investing activities		(82)	(834)
Change in cash and cash equivalents		(2,700)	(215)
Cash and cash equivalents at the beginning of the period		5,412	5,628
Cash and cash equivalents at the end of the period	33	2,712	5,413

CHATSWORTH HOUSE TRUST

Accounting Policies for the period ended 31 March 2016

Basis of Accounting

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

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

During the year, the charity and subsidiary companies changed their accounting reference date by extending the period by 3 months to a 15 month period ending on 31 March 2016. This was done to better allow for planning for each forthcoming year to take place during the period of house closure. In addition it brings the accounting reference date in line with the Chatsworth Settlement.

The current period is for a fifteen month period and the comparative figures included in the related notes are for 12 months ended 31 December 2014. As a result, the prior period figures are not directly comparable.

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

Reconciliation with Previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have determined that, in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102, no restatement of comparative items was required. The date of transition to FRS 102 was 1 January 2014.

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

Going concern

The financial statements have been prepared on a going concern basis. The Council have considered how the Charity will meet the challenges presented by the current economic climate. They have carried out a detailed review of the Charity's resources including the adequacy of working capital for the next twelve months. The Council are satisfied that the Charity has sufficient cash flows to meet its liabilities as they fall due for at least one year from the date of approval of these financial statements.

Group financial statements

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

Tangible Fixed Assets

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

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

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

CHATSWORTH HOUSE TRUST

Accounting Policies for the period ended 31 March 2016 (continued)

Tangible Fixed Assets (continued)

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

Heritage Assets

In its own right the company owns a collection of paintings, ceramics and sculptures previously identified as Arts & Treasures. These items are included in the accounts at their historical cost and are not depreciated as they are deemed to have indefinite lives. The assets held are reviewed for impairment at the reporting end date. To date, no impairments have occurred of capitalised items. Revaluations are not performed as the Council of Management does not consider that reliable information can be obtained due to the diverse nature of the assets and the lack of comparable market values. At the balance sheet date the book value of these items was £6,611,000 (2014: £5,747,000), of which £765,000 (2014: nil) was held in restricted funds.

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

In addition to the above there are items not belonging to the company but displayed in areas open to the public within Chatsworth House and Gardens. These items are included in the lease assigned to the company on 10 April 1981 (see note 28) and represent the essential contents of Chatsworth House. The company does not therefore recognise these assets on its Balance Sheet. Under the terms of the lease and subject to the agreement of the Council of Management, chattels can be removed from public display if they are replaced by an item or items that are deemed to be of equal value, public interest or heritage importance.

Investments

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

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

Investment Properties

Investment properties are stated at fair value. A formal revaluation is carried out every five years by an independent valuer and property valuations are assessed annually by the Council of Management.

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

Foreign Exchange

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

Stocks

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

Debtors

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

CHATSWORTH HOUSE TRUST

Accounting Policies for the period ended 31 March 2016 (continued)

Creditors and Provisions

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

Donations and Gifts

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

Revenue Recognition

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

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

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

Allocation of Costs

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

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

Transfers between funds

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

The Art Purchase Fund is an unrestricted fund that has been set aside by the Council for the purposes set out in note 24.

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

The Endowment Fund has been created to account for a specific donations.

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

Irrecoverable VAT

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

Pension Liabilities

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

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

CHATSWORTH HOUSE TRUST

Accounting Policies for the period ended 31 March 2016 (continued)

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transactions value and subsequently measured at their settlement value.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

1 Legal status of the Company

The company is a charitable company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £5,000.

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 or she ceases to be a member, an amount not exceeding £5,000. At 31 March 2016 there were two (2014: two) members.

2 Comparative Statement of Financial Activities

The following shows the comparative consolidated Statement of Financial Activities split between the General Fund and Art Purchases Fund.

	General fund (Unrestricted)	Art Purchases Fund (Unrestricted)	Total Funds 2014
	£000	£000	£000
Income from:			
Donations and legacies	330	-	330
Charitable activities	7,927	-	7,927
Trading activities	2,755	-	2,755
Investments	451	272	723
Total	11,463	272	11,735
Expenditure on:			
Raising funds	977	22	999
Charitable activities	8,541	-	8,541
Preservation and maintenance	1,088	-	1,088
Total	10,606	22	10,628
Net gains on investments	116	104	220
Net income	973	354	1,327
Transfers between funds	-	-	-
Other recognised losses			
Actuarial losses on defined benefit pension scheme	(1,010)	-	(1,010)
Net movement in funds	(37)	354	317
Total funds brought forward	9,620	15,670	25,290
Total funds carried forward	9,583	16,024	25,607

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

3 Financial performance of the charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiaries, Chatsworth Estates Company and Chatsworth House Enterprises Limited.

The summary financial performance of the charity alone is:

	2016 £000	2014 £000
Income	12,423	11,735
Donation from Subsidiary company	633	-
Expenditure	(14,250)	(10,628)
Net income/expenditure	(1,194)	1,107
Net (losses)/gains on Investments	(190)	220
Actuarial gains/(losses) on defined benefit pension scheme	380	(1,010)
Net movement in funds	(1,004)	317
Total funds brought forward	25,607	25,290
Total funds carried forward	24,603	25,607

4 Income from charitable activities

	2016 £000	2014 £000
Amounts receivable from admissions	8,746	7,927

5 Income from other trading activities

	2016 £000	2014 £000
Income from park events	2,032	1,573
Franchise Income (see note 28)	733	664
Other income	230	518
	2,995	2,755

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016

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

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

	2016 £000	2014 £000
Turnover	1,967	-
Cost of sales	(996)	-
Facility fee	(334)	-
Administration costs and interest payable	(4)	-
Net profit	633	-
Amount gift aided to the charity	(633)	-
Retained in subsidiary	-	-
The assets and liabilities of the subsidiary were:		
Current assets	660	-
Current liabilities	(660)	-
Total net assets	-	-

6 Investment income

	General Fund £000	Art Purchases Fund £000	2016 £000	2014 £000
Income from quoted investments				
UK Fixed interest stocks	14	16	30	18
UK Equities	322	337	659	372
Overseas stocks	16	16	32	134
Interest on cash with broker	18	20	38	12
Other UK bank interest	16	-	16	13
Income from UK Properties	213	-	213	174
	599	389	988	723

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

7 Income from donations

	2016 £000	2014 £000
Staff/pensioner housing	436	330
Other Donations & Legacies	1,224	-
	1,660	330

The income from donations and legacies was £1,660,000 (2014: £330,000) of which £867,000 was unrestricted (2014: £330,000) and £793,000 restricted (2014: nil). The restricted fund includes grants from Devonshire Educational Trust of £8,000 for the preservation of the Seahorse Fountain and National England £35,000 for tree felling, planting and guarding.

The Council of Management is grateful to Mrs M Spencer for the donation of a sculpture on display in the gardens, included in the accounts at a valuation of £750,000.

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

8 Analysis of expenditure on raising funds

	2016 £000	2014 £000
Subsidiary trading operations	1,333	959
Investment fees (see note 17)	62	40
	1,395	999

9 Analysis of expenditure on charitable activities

	2016 £000	2014 £000
Admissions expenses	2,696	2,212
Expenses of park events	-	(3)
Maintenance of the art collection	433	334
Maintenance of the garden, park and woods	1,327	1,036
General upkeep of the house and stables	1,882	1,488
Repair expenditure	1,420	912
General insurance	230	194
Management Rents	435	330
Allocations of support costs (see note 10)	2,492	1,848
Allocation of governance costs (see note 10)	298	190
	11,213	8,541

Expenditure on charitable activities was £11,213,000 (2014: £8,541,000) of which £11,186,000 was unrestricted (2015: £8,541,000) and £27,000 was restricted (2014: nil).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

10 Analysis of governance and support costs

	2016 £000	2014 £000
Management Charge	1,119	887
Wages & Salaries	904	552
Legal & Professional	21	82
Depreciation	97	52
Other Administrative	216	127
Service & interest cost on unfunded pension scheme	389	330
Secretarial Fees	52	25
Audit Fees	37	13
Trustee's expenses	-	-
	2,835	2,068
Allocated:		
Charitable activities	2,492	1,848
Governance Costs	298	190
Preservation and Maintenance	45	30
	2,835	2,068

Audit fees for the year of £37,000 include £15,000 for 2014 and £22,000 for 2015/16.

Included within legal and professional fees are amounts payable to the auditor of £9,000 (2014: £7,000) for non-audit services.

11 Taxation

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

12 Staff numbers

The average monthly head count was 300 staff (2014: 274 staff) and the average monthly number of full-time equivalent employees (including casual and part-time staff) during the period was as follows:

	2016 Number	2014 Number
Administration and management	24	20
Domestic	8	9
Wardens	37	34
Maintenance	30	35
Gardens	24	25
Domain	8	7
Farm yard	12	12
	143	142

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

13 Analysis of staff costs, Trustee remuneration and expenses and the cost of key management personnel

	2016	2014
	£000	£000
Salaries & Wages	3,593	2,876
Social Security	459	368
Employers pension contributions to the money purchase scheme	88	70
Staff/pensioner housing	435	330
Service cost on unfunded pension	69	57
Interest cost on unfunded pension	320	273
	4,964	3,974

Four employees had employee benefits in excess of £60,000 (2014: one), two falling into the £60,000 - £70,000 band, one falling into the £80,000-£90,000 and one falling into the £90,000-£100,000 (2014: £60,000 - £70,000 band).

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

Members of the Council of Management were not paid nor received any other benefits from employment with the charity or its subsidiaries in the period (2014: £nil). Council members were reimbursed for out of pocket expenses incurred during the period - £322 (2014: £380). As outlined in note 28, Mr ERH Perks is also a partner in Currey & Co LLP which supplies legal services to the charity.

The key management personnel of the parent charity, comprise the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. The total employee benefits of the key management personnel of the parent charity total £201,000 (2014: £179,000).

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

14 Tangible assets

	Group			Charity		
	Long Leasehold Buildings £000	Equipment and Vehicles £000	Total £000	Long Leasehold Buildings £000	Equipment and Vehicles £000	Total £000
Cost:						
At 1 January 2015	1,735	4,387	6,122	1,735	4,387	6,122
Additions	-	526	526	-	526	526
Disposals	-	(23)	(23)	-	(23)	(23)
At 31 March 2016	1,735	4,890	6,625	1,735	4,890	6,625
Accumulated Depreciation:						
At 1 January 2015	1,251	3,086	4,337	1,251	3,086	4,337
Charge for the period	72	408	480	72	408	480
Disposals	-	(23)	(23)	-	(23)	(23)
At 31 March 2016	1,323	3,471	4,794	1,323	3,471	4,794
Net Book Amounts						
At 31 March 2016	412	1,419	1,831	412	1,419	1,831
At 31 December 2014	484	1,301	1,785	484	1,301	1,785

15 Heritage Assets

During the period additions of £864,000 (2014: £272,000) were added to the collection.

Five year financial summary of heritage asset transactions

	2016 £000	2014 £000	2013 £000	2012 £000	2011 £000
Opening balance b/fwd	5,747	5,475	4,997	4,891	4,767
Acquisitions	864	272	478	106	124
Closing balance c/fwd	6,611	5,747	5,475	4,997	4,891

Preservation and Management

The company employs its own Collections Department which is responsible for the ongoing restoration and maintenance of the collection at Chatsworth. The collections team consists of fourteen full-time and five part-time staff and comprises a Head of Arts and Historic Collections who has overall responsibility as well as his team of curators, archivists, librarians and a textiles team.

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

The company incurs as an expense all the costs associated with its own heritage assets as well as those assets which are the subject of the lease. In 2015/16 £99,000 was expended on restoration and maintenance of the collection (2014: £69,000).

Subsequent to the balance sheet date, the charity made a commitment to acquire artwork in the amount of £2.9m from the Art Purchases Fund to enhance the Collection.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

16 Investment properties

	2016 £000	2014 £000
Investment properties held at fair value	2,461	2,461

An independent open market valuation was carried out as at 31 December 2014 valuing the investment properties at £2,461,000. The valuation was carried out by Miss Fiona Yarrow of the Royal Institute of Chartered Surveyors, a partner in Strutt and Parker LLP. Strutt and Parker LLP has reviewed that valuation as at 31 March 2016 and advised no change in the fair value.

17 Investments

	General Fund £000	Art Purchases Fund £000	Total 2016 £000	Total 2014 £000
Market value at 1 January 2014	9,671	10,292	19,963	19,754
Acquired during the period, at cost	2,389	2,544	4,933	11,563
Disposal	(2,355)	(2,452)	(4,807)	(8,469)
Unrealised (losses)/gains for the period	(310)	(324)	(634)	(1,963)
Investment Income	369	389	758	537
Cashdraw down	(155)	(216)	(371)	(1,419)
Management Fees	(30)	(32)	(62)	(40)
Market value at 31 March 2016	9,579	10,201	19,780	19,963

	General Fund £000	Art Purchases Fund £000	Total 2016 £000	%	Total 2014 £000	%
£ Fixed Interest	629	646	1,275	6.4%	1,323	6.6%
£ Index Linked	373	392	765	3.9%	833	4.2%
Other Index Linked	281	448	729	3.7%	336	1.7%
Alternative Investments	438	454	892	4.5%	791	4.0%
United Kingdom	3,767	3,922	7,689	38.8%	7,712	38.6%
Europe	-	-	-	-	283	1.4%
Rest of the World	3,800	4,105	7,905	40.0%	8,484	42.5%
Cash	291	234	525	2.7%	201	1.0%
Total market value	9,579	10,201	19,780	100.0%	19,963	100.0%
Cost	8,124	8,989	17,113		17,080	

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

Investments in subsidiary undertakings

	Country of incorporation	Principal activity	Holding	Net assets	Profit for period
The Chatsworth Estates Company	United Kingdom	Investment Company and Nominee	100%	£15,244	£998
Chatsworth House Enterprises Limited	United Kingdom	Trading activities	100%	£1	£0

18 Stocks

	Group		Charity	
	2016	2014	2016	2014
	£000	£000	£000	£000
Stores	47	20	47	20
Livestock	15	18	15	18
	62	38	62	38

19 Debtors

	Group		Charity	
	2016	2014	2016	2014
	£000	£000	£000	£000
Trade debtors	533	392	315	392
Bad Debt Provision	(23)	(10)	(23)	(10)
	510	382	292	382
Amounts due from group companies	-	-	456	-
Prepayments and accrued income	695	612	669	612
	1,205	994	1,417	994

20 Creditors – Amounts falling due within one year

	Group		Charity	
	2016	2014	2016	2014
	£000	£000	£000	£000
Amounts falling due within one year:				
The Chatsworth Settlement	105	1,732	105	1,732
Other trade creditors	557	128	553	128
Deferred income	299	8	299	8
Accruals	1,421	1,286	1,223	1,286
	2,382	3,154	2,180	3,154

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

21 Deferred income

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

	£000
Balance as at 1 January 2015	8
Amounts released to income earned from charitable activities	(8)
Amounts deferred in year	299
Balance as at 31 March 2016	299

22 Analysis of group net assets between funds

	General Fund £000	Art Purchases Fund £000	Restricted Funds £000	Endowment Fund £000	Total £000
Tangible fixed assets	2,958	4,718	-	765	8,441
Investment properties	2,461	-	-	-	2,461
Investments	9,579	10,202	-	-	19,781
Cash at bank and in hand	809	965	-	-	1,774
Net current assets	(1,101)	384	16	-	(701)
Unfunded pension scheme liability	(7,153)	-	-	-	(7,153)
	7,553	16,269	16	765	24,603

23 General Fund

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

	Revaluation reserve £000	Revenue reserve £000	Total £000
The reserves at the fund comprise:			
At 1 January 2015	1,581	8,002	9,583
Unrealised losses on investments	(310)	-	(310)
Revaluation of investment	-	-	-
Actuarial gains/losses on unfunded pension scheme liability	-	380	380
Realised gains on investments	-	217	217
Net incoming resources	-	(2,317)	(2,317)
Transfer between reserves	184	(184)	-
At 31 March 2016	1,455	6,098	7,553

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

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

24 Art Purchases Fund

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

	Revaluation reserve £000	Revenue reserve £000	Total £000
The reserves of the fund comprise:			
At 1 January 2015	1,302	14,722	16,024
Unrealised losses on investments	(324)	-	(324)
Realised losses on investments	-	227	227
Net incoming resources	-	357	357
Transfer between funds	234	(249)	(15)
At 31 March 2016	1,212	15,057	16,269

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

25 Restricted Funds

The company has established this fund from surpluses arising in the past year from donations and grant funded activities.

	Garden Grant £000	Seahorse Fountain £000	Total £000
The reserves of the fund comprise:			
At 1 January 2015	-	-	-
Income	35	8	43
Expenditure	(27)	-	(27)
At 31 March 2016	8	8	16

The garden grant will be used for tree felling, planting and guarding and the seahorse fountain grant will be used for its restoration.

26 Endowment Fund

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

	Chaos Meteoro £000	Total £000
The reserves of the fund comprise:		
At 1 January 2015	-	-
Income	750	750
Expenditure	-	-
Transfer between funds	15	15
At 31 March 2016	765	765

This donated sculpture has been placed in the Chatsworth garden and is restricted for 35 years from October 2015.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

27 Pensions

There is an obligation to provide pensions for the period since 12 April 1981 for the eligible employees of the Chatsworth Estate Pension Scheme for employees jointly employed by the Chatsworth Settlement and the charity. The Chatsworth Estate Pension Scheme provides benefits based on final pensionable salary. The scheme was closed to new members in 1999. A defined contribution scheme was established in 2001.

Pensions paid to former employees under the Chatsworth Estate Pension scheme (a defined benefit scheme) in the year amounted to £294,000 (2014: £189,000).

Contributions were made during the year to the Chatsworth Settlement (2001) Pension Scheme (a defined contribution scheme), these amounted to £88,000 (2014: £70,000).

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

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

	2016	2014
Discount rate	3.6%	3.5%
Salary Inflation	3.0%	3.0%

The amounts recognised in the balance sheet are as follows:

	2016 £000	2014 £000
Present value of scheme liabilities	7,153	7,438
Deficit in the scheme	7,153	7,438

Analysis of amount recognised within actuarial gains and losses

Changes in assumptions underlying the present value of the scheme liabilities

Changes in discount rate and mortality rates	(380)	1,010
--	-------	-------

	2016 £000	2014 £000
Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	7,438	6,287
Actuarial (gains)/losses	(380)	1,010
Interest cost	320	273
Service cost	69	57
Benefits paid	(294)	(189)
Closing defined benefit obligation	7,153	7,438

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

28 Related party transactions

The Chatsworth Settlement

The Chatsworth Settlement is a related party due to its common management with Chatsworth House Trust.

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

- Recharges

Staff are jointly employed by the company and the Chatsworth Settlement. The Chatsworth Settlement operate central payroll and the total cost of staff invoiced to the charity during the period was £4,140,502 (2014: £3,313,834).

Support costs include charges from the Chatsworth Settlement for senior management time and central overheads including; Finance, Human Resources, IT Systems, Land Agency and Planning. Since February 2016, these staff have also been jointly employed by the charity and the Chatsworth Settlement. During the period £1,118,849 (2014: £886,640) was recharged to the company. In addition, the company charges for work undertaken by its own internal departments for the benefit of the Chatsworth Settlement. All charges are made on the basis of time spent or resources consumed.

Rent costs of staff and pensioner housing are donated from the Chatsworth Settlement, the amount during the period was £435,312 (2014: £330,131).

- Rent

The charity leases from the Chatsworth Settlement under a 99 year lease at nominal rent, granted in 1981, Chatsworth House and its essential contents, together with the garden, park and woodland surrounding the house (comprising approximately 1,822 acres in total). The charity's lease was granted subject to a sub-lease of the private quarters to the Duke of Devonshire. The charity waived its rights under the lease over some of the contents referred to above in exchange for a commitment that Chatsworth Settlement Trustees replace these contents with chattels of not less than an equivalent value and interest to the public.

Franchise income (note 4) is also receivable and is based on the annual turnover of businesses located in premises leased by the company, during the period £732,810 (2014: £664,438) was received.

A ground rent of £250 per annum has been agreed in respect of the occupation of land by Devonshire Renewable Energy Limited for the renewable energy centre. The company is 100% owned by the Chatsworth Settlement. During the period, the company sold heat and power amounting to £13,697 (2014: £7,222) to the charity.

Currey & Co LLP

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

Fees are charged for the legal services provided by Currey & Co LLP. The fees for the period are £51,711 (2014: £24,663).

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the period ended 31 March 2016 (continued)

28 Related party transactions (continued)

Devonshire Educational Trust

The Devonshire Educational Trust is a related party as the Duke of Devonshire, the chairman of the Chatsworth House Trust is a trustee of The Devonshire Educational Trust. The charity has made donations in the period of £97,185 (2014: £70,351) to The Devonshire Educational Trust. During the period, The Devonshire Educational Trust entered into a memorandum of understanding for ten years to occupy a dilapidated building situated at Chatsworth for a nominal ground rent of £250 per annum. The building was subsequently refurbished by The Devonshire Educational Trust to create a facility suitable for educational visits to Chatsworth.

Mrs S Reynolds

Mrs S Reynolds was a Director of the Art Out Loud exhibition and is related to Mr R H Reynolds, who is the Chief Executive Officer of Chatsworth House Trust.

In 2015 the exhibition was held for the first time and Mrs Reynolds waived her entitlement to her fee.

Sotheby's

Although the company is independent of Sotheby's, the 12th Duke of Devonshire, a Member of the Council is on the Board of Directors of Sotheby's USA (Sotheby's parent company) and until his retirement in March 2016, Mr H M Wyndham, also a Member of the Council was employed and remunerated by Sotheby's.

During the year the company received £250,000 (2014: £250,000) from Sotheby's, for hosting Sotheby's annual selling exhibition of modern and contemporary sculpture. Set up costs of £84,722 (2014: £66,400) were recharged to Sotheby's.

Sotheby's arranged the sale of an item of artwork during the year but waived any sales commission.

The Derbyshire Charity Clay Shoot Event (DCCS)

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

During the year the company received a £10,000 (2014:£10,000) facility fee.

Transactions with Council Members

Members of the Council were reimbursed for travel expenses amounting to £332 (2014: £380).

The Duke of Devonshire leases the private apartments from the charity, pursuant to the lease set out above, under which a full market rent is payable (subject to quinquennial reviews). During the 15 month period ended 31 March 2016 rent of £82,500 (12 months to 31 December 2014: £30,000) was received. A rent review was undertaken during the period with a revised rent being applicable from March 2015.

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2016 (continued)

28 Related party transactions (continued)

The charity invoices the Duke of Devonshire the full costs of any private expenditure incurred. During the year £22,855 (2014: £12,343) was invoiced for gas, electricity, maintenance, stationery and office costs.

	2016 £	2014 £
Amounts due (from)/to Chatsworth House Trust at 31 March 2016 (to)/from		
The Chatsworth Settlement	(104,738)	(1,732,185)
Duke of Devonshire	4,416	6,055
Devonshire Renewable Energy Ltd	-	(7,222)

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

	2016 £000	2014 £000
Net income/(deficit) for the year	(1,005)	317
(Gains)/losses on investments	190	(220)
Actuarial loss on pension scheme	(380)	1,010
Pension service and interest	389	330
Unfunded pension scheme non-cash movement	(294)	(189)
Depreciation charges	476	315
Investment income	(987)	(723)
Decrease in stocks	(24)	(12)
Increase in debtors	(212)	(253)
Decrease in creditors	(771)	44
Net cash outflow from operating activities	(2,618)	619

30 Capital commitments

At the 31st March 2016 phases 1, 2, 3a and 3b of the Master Plan were complete (subject to normal retentions against defects) and phase 4 was in progress. The remaining committed expenditure under the masterplan amounts to £7.1m at the balance sheet date.

31 Operating lease commitments

There were no operating lease commitments as at 31 March 2016 and 31 December 2014.

32 Financial instruments

	2016 £000	2014 £000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	511	382
Carrying amount of financial liabilities		
Measured at amortised cost	2,195	3,154

CHATSWORTH HOUSE TRUST

Notes to the financial statements for the year ended 31 March 2016 (continued)

33 Reconciliation of cash and cash equivalents

	2016	2014
	<i>£000</i>	<i>£000</i>
Cash at bank and in hand	2,188	5,211
Cash held with investment manager	524	202
Net funds at 31 March 2016	2,712	5,413