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CHATSWORTH HOUSE TRUST

REPORT AND ACCOUNTS

31 MARCH 2005



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COMPANIES HOUSE 26/01/2006

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 2005.

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 during the period:

- * The 12th Duke of Devonshire - Chairman
- * The Dowager Duchess of Devonshire
Mr W A W Bemrose (retired December 2004)
Mr R N Hambro (retired December 2004)
- * Mr N W Smith
The Hon. G E Adeane
Lady L V Shaw-Stewart
Mr H M Wyndham (appointed January 2005)

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

The Dowager Duchess of Devonshire is the director who retires by rotation and, being eligible, offers herself for re-election.

No members of the Council received any remuneration for their services during the year.

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

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

RISK STATEMENT

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

CHATSWORTH HOUSE TRUST

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

BANKERS

The company's bankers are the Royal Bank of Scotland, The Square, Bakewell, Derbyshire DE45 1BT and Smith & Williamson Bankers.

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 Bankers, No 1 Riding House Street, London W1A 3AS. 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 LLP, Donington Court, Pegasus Business Park, Castle Donington, DE74 2UZ, who are willing to continue in office and a resolution will be submitted to the forthcoming annual general meeting that they be re-appointed.

PRINCIPAL ACTIVITIES

The company holds a lease of Chatsworth House and its essential contents, with approximately 1,822 acres of land including the garden, park and woodland surrounding the House. The company's principal activities are the maintenance and preservation of this property and opening it to the public. The House and gardens are open every day from mid March to Christmas and much of the park is open every day of the year.

RESERVES POLICY

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

BUSINESS REVIEW

The general fund incurred an operating surplus of £874,741 (2004 - £451,159) on opening the House, gardens and park to the public.

The general fund also received investment income of £424,924 (2004 - £353,541). After accounting for realised losses and unrealised gains on investments and transfers between funds, the total increase in value of the general fund was £1,618,802 (2004 - £1,766,190).

The art purchases fund received investment income of £172,608 (2004 - £208,921). The fund spent £2,474,870 (2004 - £Nil) on the purchase of works of art. After accounting for realised losses and unrealised gains on investments and transfers between funds, the total increase in value of the art purchases fund was £1,067,519 (2004 - £790,457).

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	
	2005	2004
	£	£
(i) Operating surplus from Chatsworth	874,741	451,159
Add: investment income	424,924	353,541
Less: investment management fees and taxation	(30,707)	(26,264)
Net incoming resources per page 5	1,268,958	778,436

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

(ii) General fund - investments at market value	8,182,067	7,680,054
Art purchases fund - investments at market value	5,141,269	6,571,943

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.


CHARITABLE DONATIONS

Charitable donations amounted to £50,000 during the year (2004 - £60,000).

EMPLOYEES

As stated in note 3 to the accounts, staff are jointly employed by the company and the Trustees of the Chatsworth Settlement. During the year the average number of staff involved was 126 (2004 - 120). No staff earned more than £50,000 per year.

By Order of the Council



CURREY & CO
SECRETARIES TO THE COUNCIL
Company No: 1541046

14 December 2005

Independent Auditors' Report to the Members of Chatsworth House Trust

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

Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable activities of Chatsworth House Trust. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards, are set out in the statement of directors' responsibilities.

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

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

Basis of audit opinion

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

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

Opinion

As stated in the accounting policies set out on pages 9 and 10 of the accounts, the accounting policies adopted for the company's pension liabilities do not follow Statement of Standard Accounting Practice No 24, Accounting for Pension Costs and Financial Reporting Standard No 17.

Except for the foregoing, in our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 March 2005, and of its net incoming resources, including its income and expenditure and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
East Midlands

14 December 2005

CHATSWORTH HOUSE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2005

	Notes	General Fund	Art Purchases Fund	Total 2005	Total 2004
		£	£	£	£
INCOMING RESOURCES					
Revenue from Chatsworth	4	6,180,124	0	6,180,124	5,304,127
Investment income	5	424,924	172,608	597,532	562,462
TOTAL INCOMING RESOURCES		6,605,048	172,608	6,777,656	5,866,589
RESOURCES EXPENDED					
Direct charitable expenditure	6	(4,526,233)	0	(4,526,233)	(4,133,530)
Management and administration of the charity	7	(809,857)	(8,508)	(818,365)	(765,259)
TOTAL RESOURCES EXPENDED		(5,336,090)	(8,508)	(5,344,598)	(4,898,789)
NET INCOMING RESOURCES BEFORE TRANSFERS		1,268,958	164,100	1,433,058	967,800
TRANSFERS BETWEEN FUNDS		(600,000)	600,000	0	0
GAINS/(LOSSES) ON INVESTMENT ASSETS					
Realised (losses)/gains		(13,156)	(13,441)	(26,597)	326,292
Unrealised gains		963,000	316,860	1,279,860	1,262,555
NET MOVEMENT IN FUNDS		1,618,802	1,067,519	2,686,321	2,556,647
FUND BALANCES BROUGHT FORWARD AT 1 APRIL 2004		12,217,345	7,165,042	19,382,387	16,825,740
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2005		13,836,147	8,232,561	22,068,708	19,382,387

There are no recognised gains or losses other than those included in the results above.
All activities relate to unrestricted funds.

CHATSWORTH HOUSE TRUST

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005	2004
		£	£
Revenue from Chatsworth	4	6,180,124	5,304,127
Investment income	5	597,532	562,462
TOTAL INCOME		6,777,656	5,866,589
Total expenditure		(5,331,328)	(4,894,106)
NET INCOME BEFORE INVESTMENT ASSET DISPOSALS		1,446,328	972,483
(Losses)/gains on disposals of investments		(26,597)	326,292
NET INCOME BEFORE TAXATION	8	1,419,731	1,298,775
Taxation	9	(13,270)	(4,683)
NET INCOME FOR THE YEAR		1,406,461	1,294,092

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.

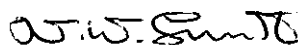
The above results all arose from continuing operations.

CHATSWORTH HOUSE TRUST

BALANCE SHEET - 31 MARCH 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Tangible assets	10	5,518,506	3,067,045
Investment properties	11	1,306,750	878,357
Investments	12	13,323,336	14,251,997
		<hr/>	<hr/>
		20,148,592	18,197,399
CURRENT ASSETS			
Stocks	13	57,208	85,122
Debtors	14	269,318	236,615
Cash at bank and in hand		2,252,082	1,526,288
		<hr/>	<hr/>
		2,578,608	1,848,025
CREDITORS (Amounts falling due within one year)	15	(658,492)	(663,037)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,920,116	1,184,988
		<hr/>	<hr/>
NET ASSETS	16	22,068,708	19,382,387
		<hr/> <hr/>	<hr/> <hr/>
CAPITAL AND RESERVES			
General fund	17	13,836,147	12,217,345
Art purchases fund	18	8,232,561	7,165,042
		<hr/>	<hr/>
		22,068,708	19,382,387
		<hr/> <hr/>	<hr/> <hr/>

Approved by the Council on 14 December 2005



N.W.Smith
Council Member

CHATSWORTH HOUSE TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	1,081,135	781,820
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Bank interest received	175,423	119,355	
Property income received	43,304	40,245	
Quoted investment income received	347,027	346,733	
		<hr/>	
NET CASH INFLOW FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		565,754	506,333
TAXATION			
UK tax paid	(7,000)	0	
Foreign tax suffered by deduction	(6,270)	(4,683)	
		<hr/>	
TAX PAID		(13,270)	(4,683)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire tangible fixed assets	(2,661,356)	(1,138,872)	
Receipts from sales of tangible fixed assets	0	596	
Payments to acquire investments	(1,494,337)	(2,361,171)	
Receipts from sale of investments	3,159,500	1,475,929	
Decrease in cash with broker	88,368	1,610,625	
		<hr/>	
NET CASH (OUTFLOW) FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(907,825)	(412,893)
		<hr/>	
INCREASE IN CASH AND NET FUNDS	23	<u>725,794</u>	<u>870,577</u>

CHATSWORTH HOUSE TRUST

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

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

Depreciation of equipment and vehicles is calculated on the straight line basis at annual rates estimated to write off assets over expected useful lives varying from three to ten years with the exception of turbines and boilers which are given an expected life of fifteen years. The minimum level at which assets are capitalised is £250.

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 and freehold property are not depreciated.

INVESTMENTS

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

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

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

INVESTMENT PROPERTIES

Investment properties are stated at open market 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 to determine whether the book value is materially different from the open market value.

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. The Council of Management consider that this accounting policy results in the accounts giving a true and fair view.

FOREIGN EXCHANGE

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

CHATSWORTH HOUSE TRUST

ACCOUNTING POLICIES (continued)

STOCKS

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

REVENUE

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

DONATIONS AND GIFTS

Donations and gifts comprise amounts receivable during the year.

GRANTS RECEIVABLE

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

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.

TAXATION

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

PENSION LIABILITIES

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

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

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

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

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2005

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

Staff are jointly employed by the company and the Trustees of the Chatsworth Settlement. The total cost of staff invoiced to the company during the year was £2,262,444 (2004 - £2,063,183). In addition, the Trustees of the Chatsworth Settlement provided management services to the company at a cost of £389,469 (2004 - £384,104).

4 REVENUE FROM CHATSWORTH	2005	2004
	£	£
Amounts receivable from admissions	4,335,732	3,725,676
Income from park events	1,264,402	1,068,777
Franchise income	442,591	431,979
Other income	137,399	77,695
	<hr/>	<hr/>
	6,180,124	5,304,127
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CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)

	General Fund	Art Purchases Fund	Total 2005	Total 2004
5 INVESTMENT INCOME				
	£	£	£	£
Income from quoted investments:				
- UK fixed interest stocks	62,764	44,084	106,848	145,925
- UK equities	147,296	89,684	236,980	231,811
- Overseas stocks	21,216	13,446	34,662	24,880
Interest on cash with broker	38,979	25,394	64,373	64,626
Other UK bank interest	111,365	0	111,365	54,975
Income from UK properties	43,304	0	43,304	40,245
	424,924	172,608	597,532	562,462
6 DIRECT CHARITABLE EXPENDITURE			2005	2004
			£	£
Admissions expenses			1,255,788	1,122,692
Expenses of park events			690,816	593,395
Maintenance of the art collection			139,901	138,860
Maintenance of the garden, park and woods			810,761	783,980
General upkeep of the house and stables			982,815	913,637
Special repair expenditure			303,174	250,714
General insurance			292,978	270,252
Charitable donations			50,000	60,000
			4,526,233	4,133,530
7 MANAGEMENT AND ADMINISTRATION OF THE CHARITY			2005	2004
			£	£
General management costs			727,768	680,077
Legal and professional fees			77,327	80,499
Tax on trading income			7,000	0
Non recoverable tax on investment income			6,270	4,683
			818,365	765,259
8 NET INCOME BEFORE TAXATION			2005	2004
			£	£
The net income before taxation is stated after charging:				
Depreciation			209,895	186,139
(Profit) on sale of tangible assets			0	(562)
Hire of plant and machinery			20,333	4,996
Council members' remuneration			0	0
Auditors' remuneration			10,230	9,930

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)

9 TAXATION

The taxation charge relates to overseas tax deducted from foreign dividends and tax on UK trading income. The company is generally exempt from United Kingdom corporation tax because of its charitable status.

10 TANGIBLE ASSETS

	LONG LEASEHOLD BUILDINGS	ART TREASURES	EQUIPMENT AND VEHICLES	TOTAL
COST	£	£	£	£
At 1 April 2004	1,418,835	1,696,054	1,699,099	4,813,988
Additions	0	2,474,870	186,486	2,661,356
Disposals	0	0	0	0
At 31 March 2005	1,418,835	4,170,924	1,885,585	7,475,344
ACCUMULATED DEPRECIATION				
At 1 April 2004	641,720	0	1,105,223	1,746,943
Charge for the year	56,669	0	153,226	209,895
Disposals	0	0	0	0
At 31 March 2005	698,389	0	1,258,449	1,956,838
NET BOOK AMOUNTS				
31 March 2005	720,446	4,170,924	627,136	5,518,506
31 March 2004	777,115	1,696,054	593,876	3,067,045

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.

11 INVESTMENT PROPERTIES

	2005	2004
	£	£
Investment properties held at market value	1,306,750	878,357

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)

12 INVESTMENTS	General Fund	Art Purchases Fund	Total 2005	Total 2004
	£	£	£	£
Market value at 1 April 2004	7,680,054	6,571,943	14,251,997	13,388,533
Acquired during the year, at cost	781,798	712,539	1,494,337	2,361,171
Disposals at cost	(1,002,845)	(2,183,252)	(3,186,097)	(1,149,637)
Unrealised profit for the year	534,607	316,860	851,467	1,262,555
Increase/(decrease) in cash with broker	188,453	(276,821)	(88,368)	(1,610,625)
Market value at 31 March 2005	8,182,067	5,141,269	13,323,336	14,251,997

The investments, which are all listed on recognised stock exchanges, and stated at market value, comprised:

UK government stocks	1,331,585	742,929	2,074,514	2,666,828
Alternative investments	224,908	149,939	374,847	0
UK equities	4,140,047	2,578,976	6,719,023	6,637,974
Total sterling	5,696,540	3,471,844	9,168,384	9,304,802
Overseas stocks - USA	734,658	534,904	1,269,562	1,149,616
- Europe	452,273	207,587	659,860	686,280
- Far East	566,392	259,256	825,648	933,982
- Currency	0	0	0	689,067
Total securities	7,449,863	4,473,591	11,923,454	12,763,747
Cash balances	732,204	667,678	1,399,882	1,488,250
Total market value	8,182,067	5,141,269	13,323,336	14,251,997
Cost	5,321,302	5,703,471	11,024,773	12,804,901

Individual investments representing over 5% by value of the total portfolio at 31 March 2005 were as follows:

Nationwide Money Market Account	£1,350,000
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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 2005 the net assets of The Chatsworth Estates Company amounted to £8,802 (2004 - £8,813) and the loss for the year then ended was £11 (2004 - loss of £85); 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 2005 (continued)

13 STOCKS	2005	2004
	£	£
Stores	53,241	81,372
Livestock	3,967	3,750
	<u>57,208</u>	<u>85,122</u>

14 DEBTORS	2005	2004
	£	£
Trade debtors	157,242	64,593
Prepayments and accrued debtors	78,559	70,262
Other debtors	33,517	100,501
UK taxation recoverable	0	1,259
	<u>269,318</u>	<u>236,615</u>

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

15 CREDITORS	2005	2004
	£	£
Amounts falling due within one year:		
The Trustees of the Chatsworth Settlement	205,732	165,229
Other trade creditors	274,349	324,851
Deferred income	167,654	164,249
Accruals	10,757	8,708
	<u>658,492</u>	<u>663,037</u>

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund	Art Purchases Fund	Total
	£	£	£
Tangible fixed assets	2,474,682	3,065,629	5,540,311
Investment properties	1,306,750	0	1,306,750
Investments	8,182,067	5,141,269	13,323,336
Net current assets	1,872,648	25,663	1,898,311
	<u>13,836,147</u>	<u>8,232,561</u>	<u>22,068,708</u>
Net assets at 31 March 2005			

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)

17 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.

The reserves of the fund comprise:	Revaluation reserve	Revenue reserve	Total
	£	£	£
At 1 April 2004	2,326,158	9,891,187	12,217,345
Unrealised gains on investments	534,607	0	534,607
Realised losses on investments	0	(13,156)	(13,156)
Unrealised gains on investment properties	428,393	0	428,393
Net incoming resources	0	1,268,958	1,268,958
Transfer between funds	0	(600,000)	(600,000)
At 31 March 2005	3,289,158	10,546,989	13,836,147

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

18 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 2004	(879,062)	8,044,104	7,165,042
Unrealised gains on investments	316,860	0	316,860
Realised gains on investments	0	(13,441)	(13,441)
Net incoming resources	0	164,100	164,100
Transfer between funds	0	600,000	600,000
At 31 March 2005	(562,202)	8,794,763	8,232,561

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

CHATSWORTH HOUSE TRUST

NOTES TO THE ACCOUNTS - 31 MARCH 2005 (continued)

19 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 2005 there were five (2004 - six) members.

20 PENSIONS

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

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

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

Pension fund contributions during the year amounted to £ 0 (2004 - £ 0). Pensions paid to former employees and charged against income in the year amounted to £49,084 (2004 - £42,225).

21 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 £26,880 (2004 - £26,100). Members of the Council were reimbursed for travel expenses amounting to £153 (2004 - £251).

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

	2005	2004
	£	£
Operating surplus	874,741	451,159
Depreciation charges	209,895	186,139
(Profit) on sale of fixed assets	0	(562)
Decrease/(increase) in stocks	27,914	(11,857)
(Increase)/decrease in debtors	(26,870)	4,844
(Decrease)/increase in creditors	(4,545)	152,097
Net cash inflow from operating activities	1,081,135	781,820

23 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005	2004
	£	£
Increase in cash in the year	725,794	870,577
Net funds at 1 April 2004	1,526,288	655,711
Net funds at 31 March 2005	2,252,082	1,526,288

CHATSWORTH HOUSE TRUST

DETAILED REVENUE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

INCOME	2005	2004
	£	£
Admissions: House and Garden	2,349,605	2,077,871
Garden only	540,120	464,202
Farmyard	485,470	523,922
Car parking	212,491	168,356
Friends of Chatsworth	158,820	141,148
Guidebooks	144,755	165,062
Special events	0	24,577
Gift Aid on day admissions	444,471	160,538
	<u>4,335,732</u>	<u>3,725,676</u>
Franchise income	442,591	431,979
Income from park events	1,264,402	1,068,777
Produce sales	34,566	39,095
Rental and sundry income	102,833	38,600
TOTAL TURNOVER	<u>6,180,124</u>	<u>5,304,127</u>
EXPENSES		
Admissions expenses	1,255,788	1,122,692
Expenses of park events	740,816	653,395
<u>General upkeep</u>		
Domestic services	139,640	136,100
Furniture and soft furnishings	34,216	36,400
Security	240,184	220,553
Engineering services and fuel	90,780	65,445
General repairs and maintenance	421,326	398,470
Depreciation of stables buildings	56,669	56,669
	<u>982,815</u>	<u>913,637</u>
<u>Maintenance costs</u>		
Art collection	139,901	138,860
Garden	608,668	590,173
Park	195,204	191,666
Woodlands	6,889	2,141
	<u>950,662</u>	<u>922,840</u>
Administration and overheads	1,072,128	989,690
TOTAL COSTS BEFORE SPECIAL JOBS	<u>5,002,209</u>	<u>4,602,254</u>
SURPLUS BEFORE SPECIAL JOBS	1,177,915	701,873
Special repair jobs	303,174	250,714
OPERATING SURPLUS FOR THE YEAR	<u>874,741</u>	<u>451,159</u>