

COMPANY NUMBER: 3394958

**THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)**

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST MARCH 2019



THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

FOR THE YEAR ENDED 31ST MARCH 2019

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THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

ADMINISTRATIVE DETAILS

<u>Company Number:</u>	Incorporated in England & Wales on 30 June 1997 Company number 3394958
<u>Registered Charity Number:</u>	1066272
<u>Board of Trustees:</u>	Andrew W M Fane (Chairman) John R C Arkwright Richard Broyd Juliet Colman Jeffrey P Haworth Mark A Jackson-Stops Robert C Morley Jeremy G D Musson (Resigned 17 April 2019) Duncan W A Stirling (Resigned 17 July 2019) Annabel Westman Simon Creedy Smith Julie Brunskill (Appointed 11 July 2018) David Adshead (Appointed 17 April 2019)
<u>Secretary:</u>	Mark A Jackson-Stops
<u>Registered Office and Principal Office:</u>	Stowe House Stowe Buckingham MK18 5EH
<u>Independent Auditor:</u>	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
<u>Bankers:</u>	Barclays Commercial Bank Oxford Team PO Box 858, Wytham Court 11 West Way Oxford OX2 0XP
<u>Chief Executive Officer:</u>	N Morris
<u>Finance Officer:</u>	M Greaves

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

FINANCIAL STATEMENTS

The trustees, who are also the directors for the purposes of Company Law, present their annual report and audited consolidated financial statements of The Stowe House Preservation Trust, a charitable company, and its subsidiary undertaking for the year ended 31 March 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Companies Act 2016, Charities Act 2011, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

OBJECTIVES AND ACTIVITIES

Principal Activities and Objectives

This annual report details the achievements of the Charity against the objects stated in the Memorandum and Articles of Association as amplified by the Trust's strategic plan 2017-2023. The objects of the Charity are "to protect and preserve for the benefit of the public and the nation Stowe House in the county of Buckingham". The strategic plan sets out the phases in which restoration work are planned while an annual operating plan details specific projects and sets annual targets for income generation and visitor numbers.

Stowe House is one of the finest 18th century houses in the world and constitutes the grandest temple in the world famous landscape gardens. A visitor attraction since the 18th century, Stowe House is one of the greatest and most imitated estates in Europe. It is an architectural masterpiece on an immense and palatial scale which has inspired countless artists, architects and poets. The House includes the work of a number of leading 18th century designers, notably Sir John Vanbrugh, Robert Adam, James Gibbs, William Kent and Sir John Soane.

Restoration Plans

The Stowe House Preservation Plan envisaged a phased restoration of the building within the Grade I curtilage as defined in the lease. In order to fundraise for and manage restoration projects, the Charity holds the Grade I listed Ducal Palace on a long lease from Stowe School, to whom the property is leased back for daily use. Successive restoration projects have enabled more visitors to experience the exceptional architecture while also showcasing the work of conservation professionals. Restoration work often reveals previously unknown details of the House and its history, which are then fully researched and documented for future reference. The Charity is committed to ensuring that the House is a beacon of accessibility, both intellectually and physically, to enable wider and more diverse audiences to appreciate the importance of this and other country houses to the Nation's history and identity. As outlined in the strategic plan, the restoration was originally envisaged in six phases:

- Phase 1 - The North Front and Colonnades
- Phase 2 - The Central Pavilion and South Portico
- Phase 3 - The South Front
- Phase 4 - Nugent House and Power House Yard
- Phase 5 - Stables Courtyard
- Phase 6 - The State Rooms

THE STOWE HOUSE PRESERVATION TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

Progress to Date: Work began in 2000 and, to date, the Charity has spent some £24m. Over time, the above phases have become blurred as work has been undertaken in response to preferences of individual donors. The Marble Saloon was subsumed into phase 2 and the Library into Phase 3 to meet, respectively, a donor request and a programming necessity. The South Front balustrade, removed from Phase 3 through a lack of immediate funding, was completed in 2013 as part of a project to return the Medici Lions to the South Front and re-instate the vases that once adorned the piers of the balustrade. Of the State Room restoration, the Music Room, Egyptian Hall and Blue Room have all been completed, leaving the western suite of State Rooms as the last major project which requires further funding. The two courtyards remain as unfunded and unplanned work as these are areas where public access is limited, although Stowe School is carrying out improvement works to the Stable Courtyard as part of a project to change the use of that area. In addition, the Charity has raised funds for and delivered a much improved area for visitor reception and orientation in a former cellar and an education room.

Highlights of the Year: This year has seen another significant milestone in the restoration of the North Hall which, despite the conservation of William Kent's spectacular painted ceiling in 2014, remained a rather functional space. The project involved the replacement of inappropriate terrazzo flooring and redecoration of the walls and woodwork in a historically accurate shade of stone colour. As the Charity often cannot furnish the House with period artefacts, statuary offers an opportunity to recreate some of the atmosphere of the House in its heyday. Earlier in the year, copies of six more classical statues were installed in the south portico overlooking the landscape garden.

Future Plans: Statuary is a key element of plans for the coming year. The crowning glory of the North Hall project will be the installation of an exact copy in bronze of Carboneau's statue of the Trojan priest Laocoön that left Stowe following the sale of 1848. The Charity hopes to obtain copies of two further stone statues to complete the south portico project and a bronze Mercury plus replica stone busts for North Hall. The greater part of the year will be spent in continuing to plan and starting work on the last remaining unrestored state rooms, the western suite, comprising the former State Drawing Room, the State Dining Room and the small dining room. The discovery of a lost painted decorative scheme on the east stairs has added a further project that will extend the scope and content of the overall restoration programme and, subject to funding, it is hoped to pursue investigative work and academic research in this area during the coming year. Repair and maintenance demands will also be met.

Application of Resources: The highest priority for the previous year was to generate sufficient funding to sustain the condition of the fabric of the Mansion (maintenance) and to enable its continued presentation to future generations (restoration projects). Funds allocated to future maintenance increased to £500,000 at the end of March 2019, in line with the target set in the strategic plan, whilst ensuring all necessary maintenance in the year has been completed. Restoration projects in the year have been funded by donations and grants. The target for the period to 2023 is to raise £4m, which will enable further restoration work while also securing funds for future maintenance.

Visitor Experience: Raising the profile and awareness of Stowe House as a visitor attraction continues to be of high importance. New visitor facilities were opened in the Mansion in August 2015 following completion of a project largely funded by the Heritage Lottery Fund and will require an update to improve coherence with the State Rooms and to ensure that the technology is still reliable. This work will be scheduled for completion during the western suite project. Interpretation continues to develop and coherence between house and gardens is fundamental to the visitor experience and understanding of the estate as a whole.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

Community Outreach: Community outreach is at the heart of the Charity's plans for presentation of Stowe House and seeks to offer large-scale, cross-curricular projects to primary schools and to provide opportunities for families and diverse audiences to discover the significance of heritage through engaging activities. Volunteers within the Stowe Ambassador programme deliver talks to local groups to promote wider understanding of the significance of Stowe House locally and nationally.

Archive and Research: Improved access to archive material and wider opportunities has been developed in support of research, both to meet the Charity's own requirements and in response to external interest.

Public Benefit: The Trust provides a benefit to the public by allowing visitors from all over the world to enjoy access to Stowe House, a building of immense grandeur and beauty, whose international importance is well established. The number of visitors viewing the House during the year through the purchase of tickets was 11,430 (2018: 10,622). In addition 9,379 (2018: 6,536) visitors contributed income through commercial events.

Events: The turnover of the trading subsidiary increased to £207,159 (2018: £165,128) and the donated sum to the net income of the charity to £87,953 (2018: £55,288). Donations raised by the Trust were £367,010 (2018: £152,377).

Volunteer Staff: Volunteers continue to give valuable support to the visitor experience and, without them, it would not be possible to operate the house as a heritage attraction. The level of customer service and quality of visitor experience has risen again this year and the morale of the volunteers has been sustained by social events and professional enrichment visits as well as more formal training. 59 volunteers offered their services during 2019 (2018: 66).

Partnership: The Stowe House Preservation Trust continues to work closely with its partners on the Stowe site, Stowe School Limited and The National Trust, on the restoration of the House and improving the visitor experience in the House and Landscape Gardens. Stowe School Limited continues to subsidise a number of The Stowe House Preservation Trust's administrative and support functions.

Fundraising: The Development Executive consultant continues to work closely with the Chief Executive Officer. They have reported monthly to the Chairman of Trustees to ensure regulatory compliance with the Charities Act 2011 and the Charities (Protection and Social Investment) Act 2016, the Data Protection Act 1998 and the General Data Protection Regulations 2018 (GDPR) in order to protect the public. The Development Executive consultant agrees to comply with the code of ethics published by the Institute of Fundraising.

Fundraising activities and compliance has been included in reports to trustees' meetings. A privacy policy has been completed for GDPR. Compliance of fundraising activities continues to be overseen by the Chief Executive Officer. We have received no complaints during the year.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

FUTURE PLANS

The main objectives for the forthcoming year are to:

- Successfully and safely install the replica of the Laocoön group in North Hall.
- Complete the lighting installation in the Egyptian Hall.
- Gain Listed Building Consent for complete uncovering of the painted decorative scheme on the Eastern Grand Staircase while continuing to support further research into the scheme.
- Develop further the outreach activities and deliver the first steps in a strategic plan for outreach and education.
- Continue research into the whereabouts of artefacts sold in the two great sales at Stowe and progress loans where possible.
- Submit Listed Building Consent to install a copy of the Marine Venus in the Music Room.
- Secure Listed Building Consent for the Western Suite restoration, initiate tender action and appoint contractors for a start date of May 2020.
- Continue to populate the collections management system.
- Continue to work with the National Trust to widen access to all archival records held on site.
- Grow the maintenance earmark by a further 10%.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial Results

The net income for the year was £310,422 (2018: net expenditure £224,147).

Principal funding sources for the year were from the Mellon Estate, Country Houses Foundation and individual private donations.

Further restoration work was carried out and £514,050 was capitalised during the year (2018: £108,196).

The accounts are prepared on an accruals basis and, as required, the restoration work is capitalised and will therefore be reflected in the Statement of Financial Activities (SOFA) over the period of its useful economic life by way of depreciation charges.

Reserves Policy

At 31 March 2019 the total unrestricted funds were £2,206,528 (2018: £2,113,545) and the restricted fund was £19,640,158 (2018: £19,422,719).

Part of the unrestricted funds is set aside as a designated fund to reflect the extent to which unrestricted donations have been committed to complement restricted grants and restricted donations, for expenditure on specific restoration work. The designated fund was £1,454,447 (2018: £1,457,291) and the general unrestricted fund was £752,081 (2018: £656,254).

£500,000 of the general unrestricted fund has been earmarked to cover future maintenance and repair of completed restoration work. The remaining balance of the general unrestricted fund is there to be utilised for the continued operation of the charity including the support of restoration projects and the purchase of artefacts.

Trustees consider £1.1 million to be a sufficient level of general unrestricted funds for the continued operation of the charity including maintenance once the House has been fully restored; this target is set for 2023 in the strategic plan. The current shortfall is expected to be addressed by commercial activity through the Charity's subsidiary, unrestricted donations and rental income.

THE STOWE HOUSE PRESERVATION TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

Investment Policy and Objectives

Until the Trust establishes sufficient funds for investment in financial instruments, the day to day management of cash surpluses is the responsibility of the Chief Executive Officer.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Charity is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association upon incorporation on 30 June 1997 as amended by special resolution on 22 September 1999. The charity was registered on 26 November 1997.

Governance

The Charity's activities are controlled and governed by the trustees who meet regularly throughout the year. All members are trustees. Trustees' appointments are confirmed in Annual General Meetings. New trustees are recruited based on skills and experience needed to cover the full range of the Charity's responsibility and appointed by the trustees. The number of trustees connected with Stowe School is not to exceed one third of the total number of trustees.

The trustees are responsible for the overall management and control of the Trust and meet formally four times a year to receive reports from the Chief Executive who is responsible for implementing their policies and coordinating the work of the Project Management Teams and professional advisers and, through them, the appointed contractors.

The Trust has a wholly owned trading subsidiary, Stowe House Enterprises Limited, which donates all its profits to the Trust.

Key Management Personnel Remuneration

All trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in the accounts.

Trustees are required to disclose all relevant interests in accordance with our policy and withdraw from decisions where a conflict of interest arises.

Key management personnel is considered to be the charity's Chief Executive. Their pay is reviewed annually and is subject to performance and market forces, using a performance and pay matrix.

Training of Trustees

New trustees are encouraged to take part in an induction into the workings of the Charity through a visit programme, discussion, and an introductory pack. Trustees also have access to ongoing training and a portal gives access to a discrete area of the website housing significant documents and records for their information.

THE STOWE HOUSE PRESERVATION TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019

Trustees

The trustees who served during the year were:

Andrew W M Fane (Chairman) *

John R C Arkwright

Richard Broyd *

Juliet Colman **

Jeffrey P Haworth

Julie Brunskill ** (Appointed 11 July 2018)

David Adshead (Appointed 17 April 2019)

Mark A Jackson-Stops

Robert C Morley

Jeremy G D Musson (Resigned 17 April 2019)

Duncan W A Stirling * (Resigned 17 July 2019)

Annabel Westman *

Simon Creedy Smith**

* These trustees retire by rotation under the Articles of Association, and being eligible, offer themselves for re-election.

** These trustees are also trustees of Stowe School Limited. John Arkwright resigned as a School Trustee on 15 June 2018.

Lease Arrangements

Stowe House is leased to The Stowe House Preservation Trust with a coterminous leaseback to Stowe School Ltd for 99 years effective from 1 January 2000. The arrangements were confirmed under Charity Order 0149530D dated 10 November 1999. The cost of the acquisition of the lease was nil. An open market valuation could not be determined and there is an extensive repairing obligation. The trustees therefore included the acquisition at cost.

Risk Management

Trustees have examined the principal areas of the Trust's operations and considered the major risks that may arise in the categories of: projects, catastrophe, finance, compliance, visitor experience, operational, archive and reputational. Each category is sub divided into specific risks which consider its effect, probability, impact, mitigation and is allocated an owner. These risks are recorded in a register which is updated by the chief executive officer and reviewed by the trustees annually.

The key risks identified by the trustees are:

- Catastrophe e.g. fire.
 - Mitigation – Regular review of fire risk management which includes a salvage plan.
- Restoration project funding.
 - Mitigation – Phasing and scale down of works in line with funding.
- Asbestos.
 - Mitigation – Managed in accordance with procedures and recorded on an asbestos register.
- Sourcing of restoration materials.
 - Mitigation – Ensure ethical sourcing and allow lead time for timely procurement.

**THE STOWE HOUSE PRESERVATION TRUST
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**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2019**

Statement of Trustees' Responsibilities

The trustees (who are also directors of The Stowe House Preservation Trust for the purpose of company law) are responsible for preparing a trustees' annual report (incorporating the directors' report) and financial statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

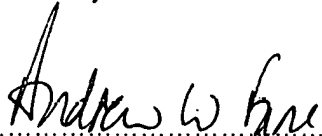
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Auditors

The auditors, Saffery Champness, will be proposed for re-appointment in accordance with Section 495 of the Companies Act 2006.

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

Approved by the trustees and signed on its behalf by:


.....

Dated: 16.10.19.....

Mr. Andrew W M Fane
For and on behalf of the Board of Trustees

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE STOWE HOUSE
PRESERVATION TRUST**

Opinion

We have audited the financial statements of The Stowe House Preservation Trust for the year ended 31 March 2019 which comprise consolidated statement of financial activities, consolidated statement of financial position, consolidated statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 March 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE STOWE HOUSE PRESERVATION TRUST
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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE STOWE HOUSE
PRESERVATION TRUST**

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

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

- the group or 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, 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, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**THE STOWE HOUSE PRESERVATION TRUST
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**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE STOWE HOUSE
PRESERVATION TRUST**

Use of our report

This report is made solely to the charitable 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 charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....

Liz Hazell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 1 November 2019
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Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE STOWE HOUSE PRESERVATION TRUST
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CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including consolidated income and expenditure account)
FOR THE YEAR ENDED 31ST MARCH 2019

Income and expenditure account

	Notes	Unrestricted Fund £	Restricted Funds £	31-Mar 2019 £	31-Mar 2018 £
Incoming resources					
Incoming resources from generated funds					
<i>Donations and legacies</i>		8,313	358,697	367,010	152,377
<i>Income from Charitable activities</i>					
Grants for restoration	2	-	254,456	254,456	80,406
<i>Other trading activities</i>					
Income of trading subsidiary	3	207,159	-	207,159	165,128
Rent receivable		155,162	-	155,162	142,085
Misc Income		228	-	228	9,590
<i>Income from Investments - interest receivable</i>		2,022	-	2,022	2
Total income and endowments		<u>372,884</u>	<u>613,153</u>	<u>986,037</u>	<u>549,588</u>
Resources expended					
Expenditure on raising funds					
Cost of trading subsidiary		116,589	-	116,589	105,998
Fundraising		-	25,926	25,926	26,138
		<u>116,589</u>	<u>25,926</u>	<u>142,515</u>	<u>132,136</u>
Expenditure on Charitable activities	5	163,312	369,788	533,100	641,599
		<u>163,312</u>	<u>369,788</u>	<u>533,100</u>	<u>641,599</u>
Total resources expended		<u>279,901</u>	<u>395,714</u>	<u>675,615</u>	<u>773,735</u>
Net income/(expenditure)		92,983	217,439	310,422	(224,147)
Net movement in funds		<u>92,983</u>	<u>217,439</u>	<u>310,422</u>	<u>(224,147)</u>
Reconciliation of funds					
Total funds brought forward		2,113,545	19,422,719	21,536,264	21,760,411
Total funds carried forward		<u>2,206,528</u>	<u>19,640,158</u>	<u>21,846,686</u>	<u>21,536,264</u>

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

All incoming resources expended derive from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

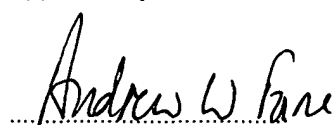
THE STOWE HOUSE PRESERVATION TRUST
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31ST MARCH 2019

	Note	Group 2019 £	2018 £	Charity 2019 £	2018 £
Fixed assets					
Heritage assets	7	20,906,121	20,784,013	20,906,121	20,784,013
Investments	8	-	-	2	2
		<u>20,906,121</u>	<u>20,784,013</u>	<u>20,906,123</u>	<u>20,784,015</u>
Current Assets					
Stock		11,238	12,984	-	-
Debtors and prepayments	9	47,004	159,475	144,912	222,736
Cash at bank and in hand		1,127,526	777,988	1,017,826	707,721
		<u>1,185,768</u>	<u>950,447</u>	<u>1,162,738</u>	<u>930,457</u>
Current Liabilities					
Amounts falling due within one year	10	245,203	198,196	229,476	185,509
Net current assets		<u>940,565</u>	<u>752,251</u>	<u>933,262</u>	<u>744,948</u>
Total assets less current liabilities		<u>21,846,686</u>	<u>21,536,264</u>	<u>21,839,385</u>	<u>21,528,963</u>
The funds of the charity					
Unrestricted fund: Designated	11	1,454,447	1,457,291	1,454,447	1,457,291
Unrestricted fund: General		744,780	648,953	744,780	648,953
Funds retained within non-charitable subsidiary		7,301	7,301	-	-
		<u>2,206,528</u>	<u>2,113,545</u>	<u>2,199,227</u>	<u>2,106,244</u>
Total unrestricted funds	11	2,206,528	2,113,545	2,199,227	2,106,244
Restricted funds	11	19,640,158	19,422,719	19,640,158	19,422,719
Total Funds		<u>21,846,686</u>	<u>21,536,264</u>	<u>21,839,385</u>	<u>21,528,963</u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company. As permitted by s408 Companies Act 2006, the Charity has not presented its own Statement of Financial Activities and related notes. The Charity's net movement in funds for the year was £310,422 (2018 - (£224,147)).

Approved by the Board of Trustees and signed on its behalf by:


Mr Andrew W M Fane

Dated: 16.10.19

Company Number : 3394958

The notes on pages 14 to 23 form part of these financial statements.

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided for operating activities	18	<u>861,663</u>	<u>252,345</u>
Cash flows from investing activities:			
Deposit interest received		1,925	1
Payments to restore heritage assets		(514,050)	(108,196)
Net cash provided used in investing activities		<u>(512,125)</u>	<u>(108,195)</u>
Change in cash and cash equivalents in the the reporting period		349,538	144,150
Cash and cash equivalents at the beginning of the reporting period		<u>777,988</u>	<u>633,838</u>
Cash and cash equivalents at the end of the reporting period		<u>1,127,526</u>	<u>777,988</u>

The trust has taken advantage of the exemption conferred by s408 Companies Act 2006 not to prepare an individual Statement of Cash Flow.

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

The Stowe House Preservation Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

There are no material uncertainties about the Trust's ability to continue as a going concern.

The presentation currency is £ sterling.

Group Financial Statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Stowe House Enterprises Limited (SHEL) on a line by line basis. The summarised income statement and statement of financial position of SHEL are given in note 3.

Fund accounting

The charity's general fund consists of funds which the charity may use for its purpose at its discretion. Trustees recognise that part of the unrestricted funds comprise voluntary sector income that has been utilised as partnership funding in the restoration work fixed assets. They have therefore created a designated fund to recognise this. The charity's restricted funds are those where the donor has imposed restrictions on the use of the funds.

Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and voluntary income are recorded as incoming resources on a receivable basis. Income tax recoverable on covenanted giving and Gift Aid donations is accounted for in the year of receipt of the associated income on an accruals basis.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are receivable, to the extent that the costs to which the grant relates are incurred. Where grants are received for future periods these are carried forward as deferred income. The grants are for the restoration costs of Stowe House which are capitalised. The grants are held in a restricted fund which will be amortised in line with the depreciation of the restoration costs.

Income from bank deposits and from the leasing of property are included in the SOFA in the year in which they are receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank. All investment income arises from investments in the United Kingdom.

In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised. Please refer to the Trustee Report for more information about their contribution.

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

Accounting policies continued

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is included on an accruals basis, and includes non-recoverable VAT where applicable. Costs have been directly attributed to one of the functional categories of resources expended in the SOFA as follows:

Cost of generating funds includes the Subsidiary's trading costs.

Expenditure on Charitable activities includes the costs of depreciating the restoration work capitalised, their associated support costs and governance costs.

Heritage assets

The restoration costs of Stowe House are capitalised as appropriate and written off over a period of expected useful life of 75 years from completion of the project. The "Medici" Lions are amortised over 50 years, display costs for the Welcome Centre and Interpretation Centre are depreciated over 15 years and furniture and equipment costs for the Welcome Centre and Interpretation Centre are depreciated over 5 years.

No depreciation is provided until the particular section of a phase of the restoration phase is complete.

Impairment Reviews

Impairment reviews are undertaken on an annual basis and expenditure on repairs is accounted for when incurred.

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 transaction value and subsequently measured at their settlement value.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to sell. Provision is made for obsolete, slow moving or defective items where appropriate. When stocks are sold, the carrying amount of stock is recognised as an expense in the period in which the related revenue is recognised.

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.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit account or similar account.

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.

Operating Leases

Assets held under operating leases are not capitalised. The costs associated with hire rental are charged directly to income as they arise.

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

Accounting policies continued

Significant judgements and estimates

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1) Legal status of the Trust

The Trust is a company limited by guarantee, incorporated in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. Its Registered Office and principal place of business is Stowe House, Stowe, Buckingham.

2) Incoming Resources

Grants	2019 £	2018 £
Robert W Wilson Challenge via World Monuments Fund in Britain	-	4,970
Country Houses Foundation	24,000	-
Mellon Estate	230,456	71,483
The Sackler Trust	-	25,000
Rothschild Foundation	-	50,000
Others	-	3,953
Income deferred in year	-	(75,000)
Total income from Charitable activities	<u>254,456</u>	<u>80,406</u>

The grants are receivable under an agreed programme of restoration and funded according to claimed and funder approved expenditure.

3) Net income from trading activity of subsidiary

The charity has a wholly owned subsidiary Stowe House Enterprises Ltd (SHEL), a company incorporated in England and Wales with a registration number of 3634573. The registered address is Stowe House, Stowe, Buckingham MK18 5EH. The Company carries out the trading and commercial activity from Stowe House within the overall restriction of activities being commensurate with its status. The purpose is to raise money for donation to the charity. A summary of its financial position is given below:

Income Statement of SHEL for the year ended 31 March 2019

	£
Turnover	207,159
Cost of sales (including £1,102 charge from SHPT)	(115,608)
Gross profit	<u>91,551</u>
Other operating income: Interest receivable & similar	<u>98</u>
	91,649
Administrative expenses	(3,696)
Charitable donation to SHPT	(87,953)
Profits on ordinary activities before taxation	-
Taxation	-
Retained profit for the period	<u>-</u>

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019**

Summarised Statement of Financial Position of SHEL at 31 March 2019

	£
Current assets	124,993
Creditors: Amounts falling due within one year	(117,690)
Net assets	<u>7,303</u>
Share capital	2
Reserves	<u>7,301</u>
	<u>7,303</u>

4) Staff costs

No employees were paid in excess of £60,000 per annum.

Total Staff Costs were:	2019	2018
	£	£
Salaries	80,304	89,571
Social security costs	6,217	8,124
Pension costs	5,476	5,703
	<u>91,997</u>	<u>103,398</u>

The provision for short term compensated absences at 31 March 2019 was £3,400 (2018: £5,442) and the total paid to key management personnel was £24,832 (2018: £25,427).

Staff are auto-enrolled in the Stowe School Standard Life Group Personal Pension Scheme. This scheme is a defined contribution scheme.

Ave. Headcount	<u>4.9</u>	<u>4.4</u>
FTE	<u>2.8</u>	<u>2.8</u>

not including officials who provide services on a voluntary basis.

The trustees have not been remunerated during the year. Expenses and subsistence to the value of £550 (2018: £847) have been reimbursed to 2 (2018: 3) trustees.

5) Charitable activities

	2019	2018
	£	£
Charitable expenditure comprises:		
Depreciation of completed phases of the restoration	390,017	389,910
Support costs	134,489	244,034
Governance costs	8,594	7,655
	<u>533,100</u>	<u>641,599</u>
Support costs includes:		
Salaries - permanent staff	91,997	84,472
Salaries - project costs	-	18,926
Other project costs	5,802	62,263
Maintenance costs	19,888	62,570
Administration costs	16,802	15,803
	<u>134,489</u>	<u>244,034</u>

6) Net income/(Expenditure) for the year is stated after charging:

	2019	2018
	£	£
Depreciation	390,017	389,910
Auditor Remuneration - all audit services	8,594	7,655

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

7) Heritage assets

	Restoration Phase 1	Restoration Phase 2	Restoration Phase 3	TOTAL
Cost	£	£	£	£
As at 1 April 2018	6,238,663	7,149,760	10,868,183	24,256,606
Restoration work done in the year	-	-	514,050	514,050
Disposal	-	-	(3,984)	(3,984)
As at 31 March 2019	6,238,663	7,149,760	11,378,249	24,766,672
Depreciation				
As at 1 April 2018	1,288,947	1,201,146	982,500	3,472,593
Charge for the year	83,181	95,331	211,505	390,017
Disposal	-	-	(2,059)	(2,059)
As at 31 March 2019	1,372,128	1,296,477	1,191,946	3,860,551
Net Book Value				
As at 31 March 2019	4,866,535	5,853,283	10,186,303	20,906,121
As at 31 March 2018	4,949,716	5,948,614	9,885,683	20,784,013

Restoration Phase 1: the North Front and Colonnades

Restoration Phase 2: the Central Pavilion and South Portico including the Marble Saloon

Restoration Phase 3: the South Front including Statuary and the State Rooms, Interpretation Centre and Welcome Centre

The heritage assets consist of Stowe House at leasehold cost and the costs of restoration works. Further details of the restoration work on Heritage Assets undertaken during the year is contained in the Trustees Report.

No depreciation is provided until the completion of the relevant section of the phase of the restoration project. Thereafter depreciation is provided to amortise the improvement expenditure over the estimated life of the asset, as set out in the accounting policy.

An impairment review has been undertaken for the year 2019 and the Trustees consider that no impairment adjustment is necessary.

Heritage assets acquired during each of the last 5 accounting periods are as follows:

	Heritage Assets £
Year to 31 March 2015	1,251,457
Year to 31 March 2016	704,888
Year to 31 March 2017	131,730
Year to 31 March 2018	108,196
Year to 31 March 2019	514,050

Stowe House is leased to The Stowe House Preservation Trust with a coterminous leaseback to Stowe School Ltd for 99 years effective from 1 January 2000. The arrangements were confirmed under Charity Order 0149530D dated 10 November 1999. The cost of the acquisition of the lease was nil. An open market valuation could not be determined and there is an extensive repairing obligation. The trustees therefore included the acquisition at cost. A valuation of the lease cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements.

THE STOWE HOUSE PRESERVATION TRUST
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NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

Chattels

Under an agreement dated 31 December 1999, the chattels present in Stowe House at the time of the grant of the lease have also been loaned to the Charity under a 25 year agreement also at nil cost and effective from 1 January 2000. These are Stowe School Limited's, Hall Bequest's and Fortesque Trust's chattels, essentially paintings, busts and other artefacts on display in Stowe House.

8) Fixed asset investments

	2019 Unlisted £	2018 Unlisted £
Net book values:		
As at 31 March 2019	2	2
	<u>2</u>	<u>2</u>
As at 31 March 2018	2	2
	<u>2</u>	<u>2</u>

As at the balance sheet date the Company held the following investments in subsidiary undertakings:

<u>Subsidiary</u>	<u>Holding</u>	<u>Nature of business</u>	<u>Country of incorporation</u>
Stowe House Enterprises Ltd	100% ordinary £1 shares	Fund raising for Stowe House	England & Wales

9) Debtors

	2019		2018	
	Group £	Charity £	Group £	Charity £
Due from Group company	-	95,632	-	64,878
Trade debtors	1,264	214	1,463	-
Prepayments	8,245	5,239	4,572	2,951
Accrued income	-	-	39,258	39,258
Grants receivable	12,000	12,000	98,227	98,227
VAT recoverable	21,410	27,742	4,999	6,466
Taxation recoverable	4,085	4,085	10,956	10,956
	<u>47,004</u>	<u>144,912</u>	<u>159,475</u>	<u>222,736</u>

10) Creditors: Amounts falling due within one year

	2019		2018	
	Group £	Charity £	Group £	Charity £
Accrued expenditure	54,745	50,769	33,728	31,647
Deferred income	113,791	113,791	113,791	113,791
Other creditors	62,473	53,822	39,527	32,059
VAT payable	132	-	1,687	1,687
Building work retention	7,694	7,694	883	883
Provision for unpaid holiday pay	6,368	3,400	8,580	5,442
	<u>245,203</u>	<u>229,476</u>	<u>198,196</u>	<u>185,509</u>

THE STOWE HOUSE PRESERVATION TRUST
(A Company Limited By Guarantee)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

11) Total funds	<u>Designated</u> <u>Unrestricted</u> <u>Fund</u> £	<u>General</u> <u>Unrestricted</u> <u>Fund</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2019</u> £
As at 1 April 2018	1,457,291	656,254	19,422,719	21,536,264
Incoming resources	-	372,884	613,153	986,037
Resources expended	-	(279,901)	(395,714)	(675,615)
Transfers	(2,844)	2,844	-	-
As at 31 March 2019	<u>1,454,447</u>	<u>752,081</u>	<u>19,640,158</u>	<u>21,846,686</u>
As at 1 April 2017	1,431,778	650,730	19,677,903	21,760,411
Incoming resources	-	333,805	215,783	549,588
Resources expended	-	(299,186)	(474,549)	(773,735)
Transfers	25,513	(29,095)	3,582	-
As at 31 March 2018	<u>1,457,291</u>	<u>656,254</u>	<u>19,422,719</u>	<u>21,536,264</u>
Represented by:		<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2019</u> £
Tangible fixed assets		1,454,447	19,451,674	20,906,121
Current assets		839,370	346,398	1,185,768
Current liabilities		(87,289)	(157,914)	(245,203)
Total net assets - 2019		<u>2,206,528</u>	<u>19,640,158</u>	<u>21,846,686</u>
Tangible fixed assets		1,457,291	19,326,722	20,784,013
Current assets		735,446	215,001	950,447
Current liabilities		(79,192)	(119,004)	(198,196)
Total net assets - 2018		<u>2,113,545</u>	<u>19,422,719</u>	<u>21,536,264</u>

The restricted funds comprise funds for the restoration of Stowe House.

Trustees agreed in 2004 to create a designated unrestricted fund from the general unrestricted fund reflecting the extent to which unrestricted donations have been committed to support the restricted grants and restricted donations for expenditure on restoration work. As these funds have been expended on the creation of fixed assets, trustees do not feel that it is useful to describe them as general unrestricted funds. The transfer to the general unrestricted fund in year was £2,844 from the designated unrestricted fund (2018: transfer from general unrestricted fund £25,513).

12) Share capital

The Company is limited by guarantee and does not have a share capital.

THE STOWE HOUSE PRESERVATION TRUST
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NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

13) Capital Commitments

Capital commitments as at 31 March 2019 are estimated to be £240,673 (2018: £115,923) in respect of the Egyptian Hall, North Hall, South Front Portico Statuary, and State Dining Room phases of the restoration programme. Commitments are payable as follows:-

	2019 £	2018 £
In less than one year	171,744	86,391
In one to two years	68,929	29,532
	<u>240,673</u>	<u>115,923</u>

Movement during the year:-

	£
Capital commitments at 1 April 2018	115,923
Commitments fulfilled in year	(538,393)
New commitments	663,143
Capital commitments at 31 March 2019	<u>240,673</u>

14) Operating Leases

Commitments relating to operating leases: Equipment

	2019 £	2018 £
Less than 1 year	2,079	-
Between 2 and 5 years	2,634	-
Greater than 5 years	-	-
	<u>4,713</u>	<u>-</u>

During the year £1,524 (2018: £nil) was spent on operating leases.

Income relating to operating leases: Property

The house has been leased from Stowe School Ltd, with a coterminous leaseback to Stowe School Ltd for 99 years, effective from 1 January 2000 (no break clauses). The arrangements were confirmed under Charity Order 0149530D dated 10 November 1999.

The lease charge represents the rent income from Stowe School Ltd for the School's occupation of Stowe House. The lease charge is reviewed every five years (next review 2023); the income for the year is £155,162 (2018: £142,085).

The total minimum lease payments remaining on this lease are £8 million, over the remaining 80 years.

15) Contingent Liability

Trustees are not aware of any contingent liabilities.

16) Other Commitments

Trustees agreed in July 2011 to offer support to The Hall Bequest Fund, in the form of advancing a loan, up to a maximum of £25,000, to be repaid within three months. Any loan would have to be for a specific purpose i.e. to purchase artefacts relevant to the history of the House. This offer is still in place but has not been used in year.

THE STOWE HOUSE PRESERVATION TRUST
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NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

17) Custodian Trusteeship

The Trust holds a small number of historical artefacts which are owned by either corporations, private individuals or the National Trust. These historical artefacts are used to enhance the visitor experience and interpretation of Stowe House in line with our charitable objectives. All these items are covered by insurance and are high priority in the salvage plan as well as being listed separately on the collections management database.

18) Notes to consolidated cash flow statement

Reconciliation of net income/(expenditure) to net cash flow

	2019	2018
	£	£
Net movement in funds for the year:		
Net income / (expenditure) for the reporting period (as per the	310,422	(224,147)
Adjustment for:		
Depreciation charges	390,017	389,910
Decrease / (Increase) in stock	1,746	(9,311)
Decrease in debtors	112,471	50,311
Increase in creditors	47,007	45,582
Net cash provided for operating activities	<u><u>861,663</u></u>	<u><u>252,345</u></u>

19) Related party transactions

Stowe School Ltd (SSL), a charity with three trustees in common, holds the underlease on Stowe House and granted the leasehold interest to The Stowe House Preservation Trust (SHPT) out of its freehold interest. The lease has arrangements for the payment of market rent by SSL. SSL recharged costs to SHPT totalling £97,722 (2018: £108,131), and SHPT has received rent of £155,162 (2018: £142,085), with a balance due to SSL at 31st March 2019 of £9,132 (2018: £8,048).

Stowe Enterprises Ltd (SEL) is a trading subsidiary of SSL and assists in the arrangements of commercial activities with Stowe House Enterprises Ltd (SHEL), the charity's subsidiary. Profits from these ventures are shared. SHEL has trading transactions with SEL amounting to sales of £102,886 (2018: £71,259) and purchases of £0 (2018: £303), with a net balance owed by SEL to SHEL at 31st March 2019 of £180 (2018: £610).

Stowe House Enterprises Ltd (SHEL) is the trading arm of The Stowe House Preservation Trust. At the balance sheet date SHPT was owed £7,679 by SHEL (2018: £9,590).

Certain trustees are trustees in both charities. The composition and control of the boards of trustees however remain independent of each other. All transactions between the related charities were on an arms length basis. There were donations from 2 trustees in the year totalling £210,842 (2018: £47,258).

THE STOWE HOUSE PRESERVATION TRUST
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NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2019

20) Consolidated Statement of Financial Activities including income and expenditure account - prior year

	Unrestricted Fund £	Restricted Funds £	31-Mar 2018 £	31-Mar 2017 £
Incoming resources				
Incoming resources from generated funds				
<i>Donations and legacies</i>	17,000	135,377	152,377	158,035
<i>Income from Charitable activities</i>				
Grants for restoration	-	80,406	80,406	164,148
<i>Other trading activities</i>				
Income of trading subsidiary	165,128	-	165,128	189,459
Rent receivable	142,085	-	142,085	138,167
Misc Income	9,590	-	9,590	19
<i>Income from Investments - interest receivable</i>	2	-	2	-
Total income and endowments	<u>333,805</u>	<u>215,783</u>	<u>549,588</u>	<u>649,828</u>
Resources expended				
Expenditure on raising funds				
Cost of trading subsidiary	105,998	-	105,998	102,622
Fundraising	-	26,138	26,138	8,332
	<u>105,998</u>	<u>26,138</u>	<u>132,136</u>	<u>110,954</u>
Expenditure on Charitable activities	193,188	448,411	641,599	529,113
	<u>193,188</u>	<u>448,411</u>	<u>641,599</u>	<u>529,113</u>
Total resources expended	<u>299,186</u>	<u>474,549</u>	<u>773,735</u>	<u>640,067</u>
Net income/(expenditure)	34,619	(258,766)	(224,147)	9,761
Transfers between funds	(3,582)	3,582	-	-
Net movement in funds	<u>31,037</u>	<u>(255,184)</u>	<u>(224,147)</u>	<u>9,761</u>
Reconciliation of funds				
Total funds brought forward	2,082,508	19,677,903	23,192,189	21,750,650
Total funds carried forward	<u><u>2,113,545</u></u>	<u><u>19,422,719</u></u>	<u><u>22,968,042</u></u>	<u><u>21,760,411</u></u>