

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 2020

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

FOR THE YEAR ENDED 31ST MARCH 2020

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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 ** (Resigned 7 December 2019) 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 ** David Adshead (Appointed 17 April 2019) Elizabeth de Burgh Sidley ** (Appointed 15 January 2020) |
| <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 S Morris |
| <u>Finance Officer:</u> | M Greaves |

* 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.

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

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 ("SHPT"), a charitable company, and its subsidiary undertaking for the year ended 31 March 2020, 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 is responsible for the restoration and presentation to the public of Stowe House, a Grade I listed Ducal Palace which it holds 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

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

Progress to Date: Over time the above phases have become blurred as the works have been undertaken to match funding received. Since 2000, the Charity has spent some £25m on the restoration. The exteriors of the building have been extensively restored and, of the State Rooms making up the interiors for which SHPT is responsible, the Marble Saloon, Library, Music Room, Egyptian Hall and Blue Room had all been completed by 2019 along with the structure and decorative scheme of the North Hall, to which a replica statue of the classical group Laocoon was added in July 2019. This left the western suite of State Rooms as the last major project which requires further funding. Plans were drawn up for a project to complete the interiors with the western suite to start in May 2020, but the COVID-19 pandemic necessitated some changes to that plan.

Highlights of the Year: Following the completion in 2019 of the restoration of the North Hall, a major finishing touch was the addition of an exact copy in bronze of the Laocoon statue that occupied the west side of the Hall in the nineteenth century. This statue has transformed a rather functional space into more of a feature of the House in its heyday and, given that it is impossible to return much of the furniture that was lost from two sales in 1848 and 1920, the installation of replica statuary, or the return of original items where possible, is a good way of conveying some of the grandeur of the House and relaying historical interest in antiquity. In addition to the Laocoon, the Trust also acquired a bronze copy of Giambologna's Mercury. Work continued to source copies of the roman busts that will complete the representation of the North Hall. A copy of the Marine Venus has been ordered and expressions of interest sought for the manufacture of copies of Juno and Cybele to complete the statuary on display in the south portico.

Future Plans: As anticipated in the 2019 report, much time was spent in planning work on the last remaining unrestored state rooms, the western suite. Listed building consent was gained for the work to all three rooms, the former State Drawing Room, the State Dining Room and the small dining room. It had been intended to start work removing and replacing with authentic oak the floor in the State Dining Room, to be followed by the floor in the State Drawing Room, before returning to the State Dining Room for work to the ceiling and walls, finally, the small dining room. However, that plan had to be placed on hold as a result of the uncertainties caused by the COVID-19 pandemic. Work on this started after the year end.

There has been no further work to the painted decorative scheme on the east stairs although academic research continues into this startling new discovery as does consideration of possible methods for removing the over painting without detriment to the historical scheme.

Application of Resources: The Trust sustained the level of funding available for maintenance at £500,000 but, in order to maintain momentum with restoration work, trustees agreed to allocate up to £227,000 of that sum to the restoration work in the event that the Trust had a shortfall in funding for restoration work. This was a judgement based on appreciation of the risk of significant maintenance being required based on historical arisings and condition of the building fabric. Normally, restoration projects are funded through donations and grants, but trustees felt able to allocate more of SHPT's funds to maintain the programme. The target for period to 2023 remains to raise £4m, which will enable further restoration work, while also securing funds for future maintenance.

Visitor Experience: The quality of visitor experience continues to improve and consistently high praise is received from our visitors. The principal means of interpretation is guided tours and tour guides deliver a standard tour, tailored with their own personal interests, but monitored to ensure authoritative and accurate content. The take-up on multimedia guides is variable. While they remain popular with some visitors, many prefer the personal interaction with guides or the ability to discover the House at their own pace on a 'free flow' tour.

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

Community Outreach: A high quality outreach programme has also been maintained, working with local schools and delivering events for family groups. 'Stargazing' sessions and craft café have proved particularly popular and will be developed while the more traditional roof top tours and special interest tours have been maintained.

Archive and Research: With the support of The Hall Bequest Trust, a separate charity aiming to fund educational work and the acquisition of artefacts relevant to Stowe's history, a part time archivist has been appointed, who has started work on cataloguing and improving the accessibility of all records relating to the House.

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 or public program activities was 12,976 (2019: 12,186). In addition, 7,796 (2019: 8,464) visitors contributed income through commercial events.

Events: The turnover of the trading subsidiary, Stowe House Enterprises Ltd, decreased to £194,233 (2019: £207,159) reflecting a decrease from the use of the House for filming and a decrease in retail. The trustees have waived the right to the donation in 2020 as a result of COVID-19 (2019: £87,953).

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. 62 volunteers offered their services during 2020 (2019: 59).

Partnership: In parallel with work by the Stowe House Preservation Trust, the National Trust has carried out further restoration work and will be starting work on the historic western garden in the coming year. All this work adds to the visitor experience and the two organisations work together to explain the significance of the site and to make the experience the more enjoyable and coherent for all visitors.

Fundraising: Fundraising activities and compliance are included in reports to trustees' meetings. Compliance of fundraising activities continues to be overseen by the Chief Executive Officer 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 in order to protect the public. We have received no complaints during the year.

Donations raised by the Trust were £184,377 (2019: £367,010).

THE STOWE HOUSE PRESERVATION TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

FUTURE PLANS

The main objectives for the forthcoming year are to:

- Re-plan the restoration of the western suite and deliver as much of the project as is affordable and can be accommodated without disruption of the School's activities.
- Find source statues to be copied as representations of the roman busts in North Hall.
- Continue to raise funds for completion of the western suite.
- Continue to populate the collections management system.
- Continue to work with the National Trust to widen access to all archival records held on site.
- Develop digital resources for presentation of the House through the website and social media.

Future plans will be affected by the pandemic due to the majority of staff for the charity and its trading subsidiary being furloughed to mitigate financial losses. This will lead to delays in achieving objectives and will require on-going review and re-working to ensure the needs of the charity are being met within the available resources. At the time of signing the accounts, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for at least 12 months from the date of approval of these accounts. Accordingly, the trustees believe that the going concern basis remains the appropriate basis on which to prepare the financial statements.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial Results

The net expenditure for the year was £80,549 (2019: net income £310,422). The decrease is a result of a reduction in donations and grants received and an increase in spend on restoration projects.

Principal funding sources for the year were from the World Monuments Fund, Country Houses Foundation and individual private donations.

Further restoration work was carried out and £332,433 was capitalised during the year (2019: £514,050).

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 2020 the total unrestricted funds were £2,216,457 (2019: £2,206,528) and the restricted funds were £19,549,680 (2019: £19,640,158).

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 which is capitalised on the balance sheet. The designated fund was £1,533,956 (2019: £1,454,447) and the general unrestricted fund was £682,501 (2019: £752,081).

At the year-end, £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. Looking forward, trustees have agreed to support a specific restoration project using the earmark of up to £227,000.

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; as a result of the pandemic this target, which was set for 2023 in the strategic plan, has been delayed and will be reviewed and reset as conditions allow.

THE STOWE HOUSE PRESERVATION TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

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, although for 2020 the trustees waived the right due to the impact of the COVID-19 pandemic.

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.

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FOR THE YEAR ENDED 31ST MARCH 2020

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.
- Pandemics.
 - Mitigation – Temporary closure of the Visitor Experience and rescheduling of works.

THE STOWE HOUSE PRESERVATION TRUST
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST MARCH 2020

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.

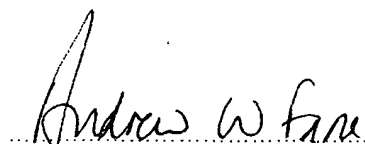
In so far as the trustees are aware:

- 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.

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: 14.10.20

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 2020 which comprise consolidated statement of financial activities, consolidated and charity balance sheet 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 2020 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.

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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 and the Strategic 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.

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

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.

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: 25 October 2020

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 2020

Income and expenditure account

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 31-Mar 2020 £ | 31-Mar 2019 £ |
|--|-------|----------------------------|--------------------------|---------------------|---------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| <i>Donations and legacies</i> | | 8,008 | 176,369 | 184,377 | 367,010 |
| <i>Income from Charitable activities</i> | | | | | |
| Grants for restoration | 2 | - | 140,136 | 140,136 | 254,456 |
| <i>Other trading activities</i> | | | | | |
| Income of trading subsidiary | 3 | 194,233 | - | 194,233 | 207,159 |
| Rent receivable | | 155,162 | - | 155,162 | 155,162 |
| Misc Income | | 200 | - | 200 | 228 |
| <i>Income from Investments - interest receivable</i> | | 2,781 | - | 2,781 | 2,022 |
| Total income and endowments | | <u>360,384</u> | <u>316,505</u> | <u>676,889</u> | <u>986,037</u> |
| Resources expended | | | | | |
| Expenditure on raising funds | | | | | |
| Cost of trading subsidiary | | 117,303 | - | 117,303 | 116,589 |
| Fundraising | | - | 28,262 | 28,262 | 25,926 |
| | | <u>117,303</u> | <u>28,262</u> | <u>145,565</u> | <u>142,515</u> |
| Expenditure on Charitable activities | 5 | 218,670 | 378,721 | 597,391 | 533,100 |
| Other expenditure - taxation | | 14,482 | - | 14,482 | - |
| Total resources expended | | <u>350,455</u> | <u>406,983</u> | <u>757,438</u> | <u>675,615</u> |
| Net (expenditure) / income | | 9,929 | (90,478) | (80,549) | 310,422 |
| Net movement in funds | | <u>9,929</u> | <u>(90,478)</u> | <u>(80,549)</u> | <u>310,422</u> |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 2,206,528 | 19,640,158 | 21,846,686 | 21,536,264 |
| Total funds carried forward | | <u>2,216,457</u> | <u>19,549,680</u> | <u>21,766,137</u> | <u>21,846,686</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 24 form part of these financial statements.

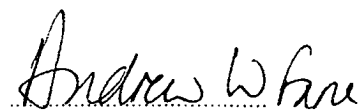
THE STOWE HOUSE PRESERVATION TRUST
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CONSOLIDATED AND CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2020

| | Note | Group 2020 £ | 2019 £ | Charity 2020 £ | 2019 £ |
|---|------|--------------------|-------------------|----------------------|-------------------|
| Fixed assets | | | | | |
| Heritage assets | 7 | 20,840,545 | 20,906,121 | 20,840,545 | 20,906,121 |
| Investments | 8 | - | - | 2 | 2 |
| | | <u>20,840,545</u> | <u>20,906,121</u> | <u>20,840,547</u> | <u>20,906,123</u> |
| Current Assets | | | | | |
| Stock | | 9,098 | 11,238 | - | - |
| Debtors and prepayments | 9 | 45,331 | 47,004 | 43,273 | 56,959 |
| Cash at bank and in hand | | 1,003,136 | 1,127,526 | 910,737 | 1,017,826 |
| | | <u>1,057,565</u> | <u>1,185,768</u> | <u>954,010</u> | <u>1,074,785</u> |
| Current Liabilities | | | | | |
| Amounts falling due within one year | 10 | 131,973 | 245,203 | 97,463 | 229,476 |
| Net current assets | | <u>925,592</u> | <u>940,565</u> | <u>856,547</u> | <u>845,309</u> |
| Total assets less current liabilities | | <u>21,766,137</u> | <u>21,846,686</u> | <u>21,697,094</u> | <u>21,751,432</u> |
| The funds of the charity | | | | | |
| Unrestricted fund: Designated | 11 | 1,533,956 | 1,454,447 | 1,533,956 | 1,454,447 |
| Unrestricted fund: General | | 613,458 | 656,827 | 613,458 | 656,827 |
| Funds retained within non-charitable subsidiary | | 69,043 | 95,254 | - | - |
| Total unrestricted funds | 11 | <u>2,216,457</u> | <u>2,206,528</u> | <u>2,147,414</u> | <u>2,111,274</u> |
| Restricted funds | 11 | <u>19,549,680</u> | <u>19,640,158</u> | <u>19,549,680</u> | <u>19,640,158</u> |
| Total Funds | | <u>21,766,137</u> | <u>21,846,686</u> | <u>21,697,094</u> | <u>21,751,432</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 (£54,338) (2019 - £277,757).

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



Mr Andrew W M Fane

Dated: 14.10.20

Company Number : 3394958

The notes on pages 14 to 24 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 2020

| | Notes | 2020 £ | 2019 £ |
|---|-------|------------------|------------------|
| Cash flows from operating activities: | | | |
| Net cash provided for operating activities | 17 | <u>205,262</u> | <u>861,663</u> |
| Cash flows from investing activities: | | | |
| Deposit interest received | | 2,781 | 1,925 |
| Payments to restore heritage assets | | (332,433) | (514,050) |
| Net cash provided used in investing activities | | <u>(329,652)</u> | <u>(512,125)</u> |
| Change in cash and cash equivalents in the the reporting period | | (124,390) | 349,538 |
| Cash and cash equivalents at the beginning of the reporting period | | <u>1,127,526</u> | <u>777,988</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>1,003,136</u> | <u>1,127,526</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 2020

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) second edition), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

Following the application of the FRS102 Triennial Review 2017 amendments, the gift aid payment from the company is now recognised at the earlier of the legal obligation or the cash payment. See note 20 for further details.

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. Whilst the pandemic has necessitated operational changes, the charity receives a regular rental income which will enable continuing activity for the foreseeable future. The charity will only undergo restoration projects following an affordability review. The trading subsidiary has been closed since the lockdown with small numbers of visitors expected to return from September. Venue hire is being transferred to 2021/2022. The charity has given support to the trading subsidiary by waiving its right to a donation which will allow the subsidiary to continue for the foreseeable future. For more information see note 19.

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

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 2020

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.

Taxation

The tax expense represents the tax currently payable, based on the profit for the year.

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 includes books, souvenirs and food and 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 2020

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.

The trustees considered key judgement and estimates to be depreciation and impairment. See note 7 for further details.

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 | 2020 £ | 2019 £ |
|--|----------------|----------------|
| Country Houses Foundation | 16,000 | 24,000 |
| Mellon Estate | 5,576 | 230,456 |
| World Monuments Fund | 43,560 | - |
| Income deferred in previous years (released) | 75,000 | - |
| Total income from Charitable activities | <u>140,136</u> | <u>254,456</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, however the Trust has waived its right to the donation in 2020 as a result of COVID-19. A summary of its financial position is given below:

Income Statement of SHEL for the year ended 31 March 2020

| | £ |
|---|---------------|
| Turnover | 194,233 |
| Cost of sales | (115,502) |
| Gross profit | 78,731 |
| Other operating income: Interest receivable & similar | 158 |
| | 78,889 |
| Administrative expenses | (2,664) |
| Charitable donation to SHPT | - |
| Profits on ordinary activities before taxation | 76,225 |
| Taxation | (14,482) |
| Retained profit for the period | <u>61,743</u> |

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

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020**

Summarised Statement of Financial Position of SHEL at 31 March 2020

| | |
|--|---------------|
| | £ |
| Current assets | 113,614 |
| Creditors: Amounts falling due within one year | (44,569) |
| Net assets | <u>69,045</u> |
| Share capital | 2 |
| Reserves | <u>69,043</u> |
| | <u>69,045</u> |

4) Staff costs

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

| Total Staff Costs were: | 2020 | 2019 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Salaries | 149,753 | 133,114 |
| Social security costs | 12,247 | 10,726 |
| Pension costs | 10,313 | 7,460 |
| | <u>172,313</u> | <u>151,300</u> |

The provision for short term compensated absences at 31 March 2020 was £9,103 (2019: £6,368) and the total paid to key management personnel was £24,694 (2019: £24,832).

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

| | | |
|----------------|------------|------------|
| Ave. Headcount | <u>9.3</u> | <u>7.9</u> |
| FTE | <u>5.1</u> | <u>4.8</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 £630 (2019: £550) have been reimbursed to 3 (2019: 2) trustees.

5) Charitable activities

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| Charitable expenditure comprises: | | |
| Depreciation of completed phases of the restoration | 398,009 | 390,017 |
| Support costs | 188,402 | 134,489 |
| Governance costs | 10,980 | 8,594 |
| | <u>597,391</u> | <u>533,100</u> |
| Support costs includes: | | |
| Salaries - permanent staff | 110,015 | 91,997 |
| Other project costs | 18,430 | 5,802 |
| Maintenance costs | 38,912 | 19,888 |
| Administration costs | 21,045 | 16,802 |
| | <u>188,402</u> | <u>134,489</u> |

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

| | 2020 | 2019 |
|---|---------|---------|
| | £ | £ |
| Depreciation | 398,009 | 390,017 |
| Auditor Remuneration - all audit services | 10,980 | 8,594 |

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

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020**

7) Heritage assets

| | Restoration Phase 1 | Restoration Phase 2 | Restoration Phase 3 | TOTAL |
|-----------------------------------|------------------------|------------------------|------------------------|------------|
| Cost | £ | £ | £ | £ |
| As at 1 April 2019 | 6,238,663 | 7,149,760 | 11,378,249 | 24,766,672 |
| Restoration work done in the year | - | - | 332,433 | 332,433 |
| Disposal | - | - | - | - |
| As at 31 March 2020 | 6,238,663 | 7,149,760 | 11,710,682 | 25,099,105 |
| Depreciation | | | | |
| As at 1 April 2019 | 1,372,128 | 1,296,477 | 1,191,946 | 3,860,551 |
| Charge for the year | 83,181 | 95,331 | 219,497 | 398,009 |
| Disposal | - | - | - | - |
| As at 31 March 2020 | 1,455,309 | 1,391,808 | 1,411,443 | 4,258,560 |
| Net Book Value | | | | |
| As at 31 March 2020 | 4,783,354 | 5,757,952 | 10,299,239 | 20,840,545 |
| As at 31 March 2019 | 4,866,535 | 5,853,283 | 10,186,303 | 20,906,121 |

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 2020 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 2016 | 704,888 |
| Year to 31 March 2017 | 131,730 |
| Year to 31 March 2018 | 108,196 |
| Year to 31 March 2019 | 514,050 |
| Year to 31 March 2020 | 332,433 |

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
(A Company Limited By Guarantee)

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020

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

| | 2020 Unlisted £ | 2019 Unlisted £ |
|-------------------------|-----------------------|-----------------------|
| Net book values: | | |
| As at 31 March 2020 | 2 | 2 |
| | <u>2</u> | <u>2</u> |
| As at 31 March 2019 | 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

| | 2020 | 2019 |
|------------------------|---------------|---------------|
| | Group £ | Group £ |
| Due from Group company | - | - |
| Trade debtors | 8,062 | 1,264 |
| Prepayments | 4,843 | 8,245 |
| Grants receivable | 16,000 | 12,000 |
| VAT recoverable | 5,602 | 21,410 |
| Taxation recoverable | 10,824 | 4,085 |
| | <u>45,331</u> | <u>47,004</u> |
| | <u>43,273</u> | <u>56,959</u> |

10) Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|----------------------------------|----------------|----------------|
| | Group £ | Group £ |
| Accrued expenditure | 59,143 | 54,745 |
| Deferred income | 787 | 113,791 |
| Other creditors | 41,299 | 62,473 |
| Corporation Tax and VAT payable | 14,482 | 132 |
| Building work retention | 7,159 | 7,694 |
| Provision for unpaid holiday pay | 9,103 | 6,368 |
| | <u>131,973</u> | <u>245,203</u> |
| | <u>97,463</u> | <u>229,476</u> |

The movement in deferred income relates to the release of grants £75,000 and prepaid rent £38,791.

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

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020**

| 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> £ |
|---------------------------------|--|---|--|-------------------|
| As at 1 April 2019 | 1,454,447 | 752,081 | 19,640,158 | 21,846,686 |
| Incoming resources | - | 360,384 | 316,505 | 676,889 |
| Resources expended and taxation | - | (350,455) | (406,983) | (757,438) |
| Transfers | 79,509 | (79,509) | - | - |
| As at 31 March 2020 | 1,533,956 | 682,501 | 19,549,680 | 21,766,137 |
| 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 and taxation | - | (279,901) | (395,714) | (675,615) |
| Transfers | (2,844) | 2,844 | - | - |
| As at 31 March 2019 | 1,454,447 | 752,081 | 19,640,158 | 21,846,686 |
| Represented by: | | <u>Unrestricted</u> <u>Funds</u> £ | <u>Restricted</u> <u>Funds</u> £ | <u>Total</u> £ |
| Tangible fixed assets | | 1,533,956 | 19,306,589 | 20,840,545 |
| Current assets | | 770,541 | 287,024 | 1,057,565 |
| Current liabilities | | (88,040) | (43,933) | (131,973) |
| Total net assets - 2020 | | 2,216,457 | 19,549,680 | 21,766,137 |
| 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 | | 2,206,528 | 19,640,158 | 21,846,686 |

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 from the general unrestricted fund in year was £79,509 to the designated unrestricted fund (2019: transfer to general unrestricted fund £2,844).

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

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020**

12) Capital Commitments

Capital commitments as at 31 March 2020 are estimated to be £172,490 (2019: £240,673) in respect of the Western Suite phases of the restoration programme and the Marine Venus statue. Commitments are payable as follows:-

| | 2020 | 2019 |
|-----------------------|----------------|----------------|
| | £ | £ |
| In less than one year | 93,331 | 171,744 |
| In one to two years | 79,159 | 68,929 |
| | <u>172,490</u> | <u>240,673</u> |

Movement during the year:-

| | £ |
|--------------------------------------|----------------|
| Capital commitments at 1 April 2019 | 240,673 |
| Commitments fulfilled in year | (333,182) |
| New commitments | 264,999 |
| Capital commitments at 31 March 2020 | <u>172,490</u> |

The Trust signed a contract after the balance sheet date for £582k for works on the Western Suite, which is not included in the figures above.

13) Operating Leases

Commitments relating to operating leases: Equipment

| | 2020 | 2019 |
|-----------------------|--------------|--------------|
| | £ | £ |
| Less than 1 year | 2,079 | 2,079 |
| Between 2 and 5 years | 555 | 2,634 |
| Greater than 5 years | - | - |
| | <u>2,634</u> | <u>4,713</u> |

During the year £2,083 (2019: £1,524) 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 (2019: £155,162).

The total minimum lease payments remaining on this lease are £8 million, over the remaining 79 years.

14) Contingent Liability

Trustees are not aware of any contingent liabilities.

15) 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
(A Company Limited By Guarantee)

**NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020**

16) 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.

17) Notes to consolidated cash flow statement

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

| | 2020 | 2019 |
|---|-----------------------|-----------------------|
| | £ | £ |
| Net movement in funds for the year: | | |
| Net (expenditure)/income for the reporting period | (80,549) | 310,422 |
| Adjustment for: | | |
| Deduct interest received | (2,781) | - |
| Depreciation charges | 398,009 | 390,017 |
| Decrease in stock | 2,140 | 1,746 |
| Decrease in debtors | 1,673 | 112,471 |
| Increase in creditors | (113,230) | 47,007 |
| Net cash provided for operating activities | <u>205,262</u> | <u>861,663</u> |

18) 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 £114,564 (2019: £97,722), and SHPT has received rent of £155,162 (2019: £155,162), with a balance due to SSL at 31st March 2020 of £9,955 (2019: £9,132).

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 £93,770 (2019: £102,886) and purchases of £89 (2019: £0), with a net balance owed by SEL to SHEL at 31st March 2020 of £7,707 (2019: £180).

Stowe House Enterprises Ltd (SHEL) is the trading arm of The Stowe House Preservation Trust. At the balance sheet date SHPT was owed £7,595 by SHEL (2019: £7,679).

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 no donations from trustees in the year (2019: £210,842).

19) Going Concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements. While the COVID-19 pandemic will lead to much reduced revenues in 2021 for the subsidiary company, Stowe House Enterprises Ltd, the trustees believe that the company will remain a going concern as the Trust has waived its right to a donation in 2020.

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

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020

20) Adoption of the FRS102 Triennial Review Admendment

Changes to the balance sheet

| | At 31 March 2019 | | |
|---|-------------------------------|-------------------|--------------------|
| | As previously reported | Adjustment | As restated |
| | £ | £ | £ |
| Debtors and prepayments (Charity only) | 144,912 | (87,953) | 56,959 |
| The funds of the Charity (only) | | | |
| Unrestricted fund: Designated | 1,454,447 | - | 1,454,447 |
| Unrestricted fund: General | 744,780 | (87,953) | 656,827 |
| Funds retained within non-charitable subsidiary | - | - | - |
| | <u>2,199,227</u> | <u>(87,953)</u> | <u>2,111,274</u> |
| The funds of the Charity (Group) | | | |
| Unrestricted fund: Designated | 1,454,447 | - | 1,454,447 |
| Unrestricted fund: General | 744,780 | (87,953) | 656,827 |
| Funds retained within non-charitable subsidiary | 7,301 | 87,953 | 95,254 |
| | <u>2,206,528</u> | <u>-</u> | <u>2,206,528</u> |

Notes to reconciliation

Recognition of gift aid payment to parent charity

Following the application of the FRS102 Triennial Review 2017 amendments, the gift aid payment from the subsidiary company is now recognised at the earlier of the legal obligation or the cash payment.

At 31 March 2019, there was no legal obligation to make the gift aid payment and the cash payment had not yet been made. The 2019 figures have been restated by £87,953 so that no gift aid payment is recognised in line with this new recognition criteria.

21) Analysis of Changes in Net Debt

| | £ |
|----------------------------|------------------|
| Cash at bank 1 April 2019 | 1,127,526 |
| Cash outflow | (124,390) |
| Cash at bank 31 March 2020 | <u>1,003,136</u> |

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

NOTES TO THE CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2020

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

| | Unrestricted Fund £ | Restricted Funds £ | 31-Mar 2019 £ |
|--|---------------------------|--------------------------|---------------------|
| Incoming resources | | | |
| Incoming resources from generated funds | | | |
| <i>Donations and legacies</i> | 8,313 | 358,697 | 367,010 |
| <i>Income from Charitable activities</i> | | | |
| Grants for restoration | - | 254,456 | 254,456 |
| <i>Other trading activities</i> | | | |
| Income of trading subsidiary | 207,159 | - | 207,159 |
| Rent receivable | 155,162 | - | 155,162 |
| Misc Income | 228 | - | 228 |
| <i>Income from Investments - interest receivable</i> | 2,022 | - | 2,022 |
| Total income and endowments | <u>372,884</u> | <u>613,153</u> | <u>986,037</u> |
| Resources expended | | | |
| Expenditure on raising funds | | | |
| Cost of trading subsidiary | 116,589 | - | 116,589 |
| Fundraising | - | 25,926 | 25,926 |
| | <u>116,589</u> | <u>25,926</u> | <u>142,515</u> |
| Expenditure on Charitable activities | 163,312 | 369,788 | 533,100 |
| | <u>163,312</u> | <u>369,788</u> | <u>533,100</u> |
| Total resources expended | <u>279,901</u> | <u>395,714</u> | <u>675,615</u> |
| Net income/(expenditure) | 92,983 | 217,439 | 310,422 |
| Net movement in funds | <u>92,983</u> | <u>217,439</u> | <u>310,422</u> |
| Reconciliation of funds | | | |
| Total funds brought forward | 2,113,545 | 19,422,719 | 21,536,264 |
| Total funds carried forward | <u>2,206,528</u> | <u>19,640,158</u> | <u>21,846,686</u> |