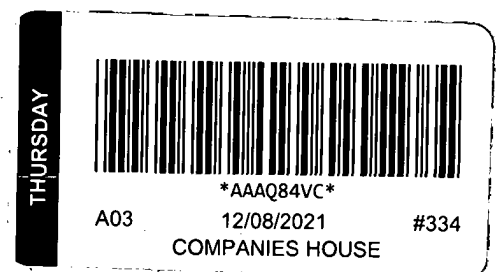


BURGHLEY HOUSE PRESERVATION TRUST LIMITED



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Who we are and what we do

Burghley House is one of the largest and grandest houses of the first Elizabethan Age. Built and mostly designed by William Cecil, Lord High Treasurer to Queen Elizabeth I, between 1555 and 1587, the main part of the House has 35 major rooms on the ground and first floors. There are more than 80 lesser rooms and numerous halls, corridors, attics and service areas. The lead roof extends to three quarters of an acre.

Burghley is still a family home, lived in by Orlando and Miranda Rock. Miranda is a direct descendant of the first Lord Burghley and runs the House on behalf of the Burghley House Preservation Trust.

The Burghley House Preservation Trust was established as a charity in 1969 by the 6th Marquess of Exeter. The objects of the charity are set out in full in the memorandum and articles. However the key focus of the charity is best summarised as the advancement of historic and aesthetic education and the preservation of buildings of national importance, and in particular the preservation and showing of Burghley House. The Trust's objectives are stated on page 18.

As well as giving the public the opportunity to visit and learn about this great historic house, the formation of the Trust ensures that Burghley House will be preserved and conserved for the nation.

The charity raises its income from charging an admission fee to visitors and running events and other commercial activities at the House. In addition, the charity owns a significant investment property portfolio based around the Stamford area.

Wherever possible, the annual surplus is used to repair, restore and maintain the fabric of the buildings at Burghley House and the important collection of works of art and furniture that they contain. The Governors of the Trust also carry out their activities with a view to conserving the environment of land and buildings owned by the charity.

Foreword

One of the questions often asked of the heritage sector is 'what is the relevance of an historic house in today's world...?' There are a myriad of answers to this challenge, illustrated in all the things we do throughout the year as custodians of this precious building and landscape. We are committed to fostering traditional skills and craftsmanship, enabling environmental stewardship, being rooted in the community, sharing an experience of living history, creating a place for enjoyment and entertainment, for leisure and socialising and reconnecting with nature.

But perhaps most important is the sense of comfort in a place that has borne witness to five centuries of history and remains relatively unchanged. While our lives were turned upside down, it is this powerful feeling of permanence and constancy that people have most enjoyed during the last year. In spite of all the restrictions and lockdowns we were able to keep the parkland open throughout the year and it has been a godsend. It has been both gratifying and humbling to read all the letters and emails from visitors who have enjoyed coming to Burghley and been moved to write to express their thanks. It has made us realise just how fundamental Burghley is to the physical and mental health of our community and what an important part of our future decision-making this should be. Accordingly, over the course of the next year we will be exploring ways to create more engagement with the park and gardens.

Taking the long view is one of the guiding principles of the Burghley House Preservation Trust and the opportunity to reflect on what we feel is the right direction for the future has been invaluable. This is an exciting moment for Burghley, there are new opportunities that need to be explored, but always in the context of our core values. We look forward to the year ahead, confident that we can continue to preserve and enhance the beauty of this place for the benefit of future generations to enjoy.

Miranda Rock
Executive Chair

Review of the year

There is no doubt that Burghley will remember 2020. It was a year we had anticipated celebrating the 500th anniversary of the birth of William Cecil, the first and original Lord Burghley, who through historical context we know controlled so much of what happened in Elizabethan times that it seems strange to write a review on a year where so much has changed on an almost daily basis! In quiet reflective moments I sometimes imagine what future conservator and archivist teams at Burghley may look back on in 100 or 500 years and wonder why we took the decisions we did. I hope they will look back and not judge us too harshly.

Burghley has not in been immune to the Covid 19 pandemic in any way and has been impacted like so many other businesses. But without question, our teams have been our strength. They have been remarkable in their resilience and have kept going on so many different tasks with such good humour and grace that we are all proud to work at Burghley.

With the benefit of hindsight, the advent of online working took many of our office teams such little time to adapt to that you wonder why we had not done it before. Adapt they did and within a few weeks we had our office teams all working on MS Teams or Zoom, having had to shut our front facing offices at the House, Estate, Golf Course and Horse Trials offices. This has influenced so much of the past year and how we have and will continue to interact with all our stakeholders going forwards.

The provision of Furlough monies by the Government to us and our many tenants, customers and partners allowed us to support multiple teams across our portfolios that simply had their work taken away overnight by the full pandemic shut down. At the time of writing this update, some of our seasonal employees, education teams and hospitality teams remain on furlough, but as the Government's roadmap to opening up the economy continues, we hope to have them all returning to work quickly.

One of the hardest hit sectors has been those commercial businesses, operators and properties in Stamford and the locality that we work with. Tenants, partners and stakeholders such as pubs, cafes, coffee shops, retail and office outlets could not open or trade and thereby not ply their trade.

We have worked with and helped to support many operators, be they medium to small sized companies or individual operators from contractors to electricians to plumbers and event organisers. Everyone seemed largely in the same boat of having to adapt and push through change and adopt new ways of working which seemed much easier to bring forward as a collaborative effort.

Our own in hand, commercial operations have been a mixed bag. Some remain positive and viable, and others have seen turnover reduced to Zero. We saw overnight a

vanishment of our visitor, event and hospitality businesses from a full and busy year to the total abandonment of any external events in 2020. These are gradually returning in 2021 and we remain reliant on the Government roadmap to deliver what is possible this year.

There are of course silver linings to what we have experienced and learnt, and these should not be ignored but embraced. We have adapted and enacted change that may have taken years to plan and deliver. Our teams were wonderful in their delivery of them in less than 5 months from online working, to timed tickets, a 'virtual' Burghley Horse Trials or a 3 or 20 mile at home Rat Race run, virtual board meetings, but sadly no virtual Golf!

One of the most heartening and warming experiences of the last 12-month period has been how our interaction with Stamford as a place and a community has changed. Burghley Park has truly been used by so many people as their haven of space and for walking, we have received numerous notes of thanks which have encouraged us along the way. Our sheep and Shepherd have certainly had to adapt to the increase of attendance by people visiting the park.

Our outdoor teams, such as Forestry, park maintenance, farming, livestock, Gardeners and golf Greenskeepers have kept working most of the year, as is the nature of their work. We have, over the year, re-tasked assets and labour resource to complete longer-term projects such as the lake dredge and forestry work; four years of work condensed into the cancelled Land Rover Burghley Horse Trials time period between July and October. The bonus of creating the high-level disturbance in 4 months rather than spread over 4 years has seen large mounds of over 45,000 tonnes of silt in places we had not imagined!

The impact on our day-to-day business cannot and should not be underestimated and will cement some longer-term changes to the way that Burghley operates for years to come. This accelerator of change should be looked at as opportunity; one we intend to grab with both hands and run at with vigour on many fronts. We must maintain the level of agility and adaptability that we have proved we are capable of over this the weirdest of years.

It is with the impact of lessons learned from 2020 that we look ahead to the exciting projects to come for Stamford and Burghley over the next few years at Burghley House, St Martins Park, Stamford North, Burghley Horse Trials, our sustainability and environmental objectives and ambitions, and the most important aspect of who we are, our people, our community.

David Pennell
Chief Executive

The visitor experience at Burghley

Visiting under Covid

Throughout 2020 and into 2021 the Covid-19 pandemic had a devastating effect on the day visitor and events businesses at Burghley. The House and Gardens were open for just four days before being forced to close as the country went into national lockdown. All events planned throughout the year, from major concerts in the park, to weddings and private functions at the House were first postponed and then cancelled as the year went on. Burghley was supposed to be celebrating the 500th anniversary of the birth of its creator, William Cecil, the first Lord Burghley, but the festivities, lectures and events which had been organised to mark this occasion all had to be deferred until the following year. Lockdown was a time of great uncertainty for our staff as most of the House operations team were dispersed to work at home or furloughed at one time or another.

The parkland, however, remained open throughout, free of any parking or admission charges, as a place where local residents could exercise and take comfort from the beautiful surroundings. We are grateful to the many people who wrote in during this time to express their gratitude and immensely pleased that we were able to provide a measure of relief for them.

It wasn't until mid-June that Government eased their lockdown measures and we were finally able to reopen the Gardens of Surprise, albeit with limited numbers controlled by online ticket purchases. Considerable effort was made to ensure that both our visitors and staff would remain safe, with a comprehensive array of social distancing signage, hand sanitiser stations and additional staff were employed to administer queues and constantly disinfect regular touch points, fully equipped with protective masks and clothing. Visiting information was made available to download from our website or from QR codes on various signs throughout the gardens as we are unable to physically hand any information to our visitors. We also produced a short film for our website to explain to our visitors what expect when they arrived. It was all very different to what we have been used to in the past, but we were rewarded by high demand for the limited tickets and complimentary feedback surveys on the measures we had put in place.

As lockdown continued to ease the House reopened in August with similar controls in place and again we were overwhelmed by the number people who wished to visit.

Despite this when our 'open season' came to an end in October, our overall visitor numbers to the House and Gardens were down 70% compared to a normal year, 31,000 compared to 106,000, and as the 'R number' rose again as winter approached, further lockdown measures were introduced which disrupted any plans for events over the Christmas period.

We now look forward to a better year ahead, buoyed by the success of the vaccination programme and reassured that even under such circumstances we can still provide a safe, enjoyable and stimulating experience for our visitors.

Repairing and restoring the fabric of Burghley

Burghley Lake

Burghley Lake is a major Capability Brown feature of Burghley Park, extending to approximately 25 acres. The lake is fed from a number of springs around the Jacobs ladder, which run down through the silt traps and into the western end of the lake. It is also supplied by surface run off from the surrounding parkland. When BHPT entered into the Higher Level Stewardship scheme in 2013, lake dredging was highlighted as one of the historical restoration projects Natural England and Historic England wished to see completed, but it was not ultimately included in the scheme.

BHPT therefore committed to undertake a full lake dredging program over the following decade. During a lake dredging project in the 1980s, only some of the lake was drained and dredged, with other areas being dredged with the water in situ and as such not all of the silt was able to be removed. Burghley Lake supports an amazing array of wildlife, most notably a strong population of native White Clawed Crayfish (the isolated nature of the lake has ensured the invasive American Signal Crayfish has not taken over), and so consideration had to be given to the surveying and relocation of these crayfish, as well as the capture and safe relocation of a number of fish including Tench and Pike.

In 2016, the first year of lake dredging was undertaken and was continued in 2017 and 2018. In the first year, a relatively small area of dredging extending to 0.5 acres, was undertaken. The second year saw an area twice the size of the first year, approximately one acre, completed. In 2018, the third year of the dredge, a much larger area was cleared, with the whole of the west end of the lake, from the Island onwards drained and dug out. This area totalled almost three acres; a serious feat considering the scale of the previous two years of operations.

A range of techniques were used to extract the silt, but in all three years the section of lake to be dredged was drained before work commenced. Each section was isolated using the existing limestone causeways and giant water filled "aqua dams", and the water was then pumped out. Water conservation has been an important part of the work, with water levels being maintained as best they can to reduce any water wastage as the water is pumped out of the working area. Diggers and dumpers were used to load the silt into trailers and carted away. In 2018 the biggest area, with the deepest silt bed, was cleared over a five week period, and some specialist equipment was required, including a tracked dumper. An estimated 5,000 tonnes of silt was removed.

In 2019, the most ambitious lake dredging project was launched, with the aim of clearing the whole section from the Lion Bridge, to the South Gardens of Burghley House. A new temporary dam was constructed and the water pumped out. One of the major benefits of the clearance work has been to cut the edges of the lake to make them steeper, thereby reducing the impact and encroachment of reeds. The views down the lake have been greatly improved, especially from the park down towards the east end of the lake. The lake dredging will continue in 2020, with an even more ambitious area to be tackled, continuing the clearance down the lake towards the sculpture garden.

The Burghley House Collection

Burghley is one of the finest examples of a late 16th century 'prodigy house', built by one of Queen Elizabeth's most trusted and important ministers, the Lord High Treasurer, William Cecil (1521-1598.)

The House contains an outstanding collection of fine art, amassed by the Cecil family over a 400 year period. Most areas contain objects of National importance, of which some highlights are:

- 17th & 18th century Italian Old Master paintings.
- 17th & 18th century English and Continental furniture.
- Oriental and European ceramics.
- Chinese snuff bottles.
- English portrait miniatures.
- English & European 17th century tapestries.

Management of the Collection is the responsibility of the resident House Director, Miranda Rock (a member of the Cecil family), and a curatorial department led by Jon Culverhouse, who has been looking after the Collection since 1984. The Collection has been comprehensively inventoried and investigated by a number of the foremost experts in their fields. A computerised record of every object of note is kept: these records are constantly reviewed and revised.

Conditions within the House are monitored and great efforts have been made to ensure stability of temperature and humidity as far as is possible within an historic building. Sensitive objects have been allocated specialised storage areas. A detailed photographic record of all objects was commenced twenty years ago and its preparation continues today. Some 70% of the Collection is now recorded.

The State Rooms of the House are open to visitors, daily, for approximately 28 weeks each year. Other areas are always available for scholastic research by appointment. We have a pro-active approach to loaning objects to other collections, both nationally and internationally. In recent years, major exhibitions have travelled from Burghley to museums in the USA and Japan. A major development of display facilities at the House, undertaken in 2003 with assistance from the Heritage National Lottery Fund, has provided a substantial specialised display area.

Each year exhibitions are mounted to concentrate on aspects of the Collection. This opportunity is used to show visitors objects that are not always on display. There is also an ongoing programme of rotation of objects to ensure that items are exhibited in the public part of the House as much as is practicable.

Acquisitions to the Collection are now rare. However, on occasion, the Governors of the Trust have been able to make funds available for the purchase of an object of outstanding importance, sold or transferred by previous generations. As the Trust exists for the preservation of the House and its contents, there is no need for a disposals' policy.

Repairing and restoring Burghley fine art

A welcome invasion of wasps at Burghley

The past 18 months has not been a good time for humans. However, due to the climate and to the peace and quiet in normally busy places, it has been a very good time for moths and bugs.

Many areas of the house are affected by the increase in the activity of textile-devouring bugs. To limit their damages, we continually trap and poison. An ecologically-friendly weapon in the never-ending war on insects, borrowed from the agriculture industry is about to be deployed within the House-- killer wasps!

We are fortunate to have Sheila Landi and her talented and enthusiastic team of Textile Conservators occupying a workshop in the Stable Courtyard. Since her retirement from the position of Head of Textile Conservation at the V & A Museum, Sheila has been overseeing the conservation of Burghley's textiles since 1983 and is now in her 90th year. An astonishing lady.

Sheila's team, Kelly Grimshaw, Melinda Hey and Louise Shewry, have been investigating the use of a type of parasitoid wasp, scientifically known as *Trichogramma evanescens*. These wasps are tiny, appearing as grey dust to the unaided eye. They are harmless to humans and animals. Parasitoid wasps place their eggs inside the eggs of other insects, usually butterfly, moth and beetle eggs. Female wasps can detect the smell of moth eggs as well as the smell of moth scales lost by the female moth as she places her eggs. A single female wasp can put 70 eggs into a host egg; as they grow, the wasp larvae consume the egg. The wasps have a life cycle of 3-14 days and remain on site only for as long as there are host eggs remaining. Once dead, the wasps will disappear as dust.

The wasps are supplied in small card dispensers, each containing around 2,400 wasps, which can be discreetly placed in areas known to be affected by moths. Careful monitoring of the treated areas will be necessary to judge results. If successful, this novel approach could provide a practical, sustainable way to reduce the damage caused by moths.

Filling in the gaps...

In recent years, the Governors of BHPT have occasionally approved the purchase of items to add to the Collection. Notable amongst these acquisitions are the outstanding portrait of the 9th Earl by Angelica Kauffman, a small painting of Burghley by Lord Methuen and two portraits of members of the 17th Century Burghley drinking club, the 'Honourable order of Little Bedlam'.

Generally, any three-dimensional objects that have left the House were sold to raise funds to pay debts or to cover death duty tax charges. As such, they were usually of very high quality. If such an object comes onto the market today, usually it is now so valuable that its purchase is impossible.

The three most important rooms on the south ground floor of Burghley are the Red Drawing Room, the Marble Hall and the South Drawing Room. Two of these rooms are centrally lit by large, highly impressive, ormolu chandeliers, made in 1823 by the London firm, Johnston, Brookes & Co. However, the ceiling of the South Drawing Room, whilst having fittings for a chandelier, lacked a suitable light fitting.

During a work trip to New York, Orlando Rock spotted a chandelier by the same maker and of very similar form to those at Burghley, in the showroom of a New York antique lighting specialist.

Following approval by the Governors, the purchase was made. In the Spring of 2020, a very large and heavy crate arrived at Burghley. After being completely re-wired and sensitively cleaned by Richard Rimes, a local specialist, the spectacular light was hung in December. The necessary silk 'sleeve' for the hanging chain was made by Debbie Chester, Burghley Housekeeper Elisha Chester's talented mother.

The Drawing Room has been transformed. The chandelier looks as if it was made to fit the room. A fine example of serendipity at work at Burghley.

Burghley Park

Burghley enjoys a unique location, with the parkland bordering the south of Stamford, it is easily accessible to all who live and work there. While we are all accustomed to the regular dog-walkers, joggers, picnickers, strollers and bike riders – indeed some we can set our watches by! - we didn't foresee the wave of visitors who would come seeking solace during the Covid lockdowns. Happily we were within the permitted range of travel for a significant number of our neighbours and it was really a wonderful thing to know that Burghley could provide this precious amenity for all. On a sunny day there was almost a festival atmosphere, toddlers needed to get outside and practice bicycle riding, dogs still needed walking and everyone benefitted from a moment of space and calm offered by a walk through the ancient parkland. The health and well-being benefits of exercise in the countryside have been discussed at length over the last 18 months and we recognise that sharing this invaluable asset is probably one of the most important things that we do at Burghley.

Although the clothes and the manner of exercise have changed and the deer herd is no longer there to be hunted, Burghley park has always provided leisure and exercise for the people of Stamford and visitors to the House. The history of the park is a story of many phases of change and development, broadly aligned with that of the house. Originally enclosed and extended by William Cecil between 1555 and 1597 to include several magnificent trees which originate from before this phase of building, the park finally reached its current form (1300 acres) under the stewardship of the 1st Marquess of Exeter by the end of the eighteenth century. Just as the incumbents of each period employed the best possible craftsmen and designers to modify and improve the interiors and exteriors of the House, so they engaged the most important and influential designers of their respective ages to work on the landscape.

John 5th Earl Exeter (1648 - 1700) and his wife Lady Anne Cavendish, were heavily influenced by the continental landscape designs they saw on their three Grand Tours of Europe. Accordingly, the Earl engaged the services of George London of the Brompton Nurseries to make huge changes to the park and introduce a European-style formality to the park which emphasised the importance of the House at the centre. Between 1678 and 1688, London and his associate Moses Cook, planted over 5000 trees during their commission. They laid out the Park in a 'patte d'oie' or goosefoot of radiating avenues, a landscape design termed 'axial formalism.' The avenue plantings were of either Sweet Chestnut *Castanea sativa* or two Dutch clones of the Common Lime *Tilia x europaea* 'Pallida' and 'Burghley Tall'.

Undoubtedly the most impactful interventions were made under the direction of Lancelot Capability Brown who over 25 years between 1756-1780 made huge changes to the landscape and as architect, the environs of Burghley House and ancillary buildings. Burghley was one of Brown's longest commissions and he admitted he had '25 years of pleasure in restoring the monument of a great minister to a great Queen' Brown J (2011).

Prior to the arrival of Brown, Brownlow 9th Earl of Exeter (1725-1793) commissioned John Haynes, a York surveyor, to draw a detailed plan of the Park in 1755 which is an invaluable record for us.

Brown made sweeping changes, introducing his more naturalistic style, bringing the Park right to the House by installing the Ha Ha, thus providing the illusion of cattle grazing in close proximity to the West Front. In addition he demolished the west wing and a stable block which were interfering with the views from the House across to Stamford. Out in the Park, Brown removed the four acre

Great Pond (see Haynes plan) and the banqueting house on its island. He then excavated his 'new river' a 25-acre serpentine lake which was cleverly sited on a seam of blue clay. The lake had the dual effect of providing the centrepiece of his design as well as solving a drainage problem at Burghley House.

The line of the lake roughly follows the Lincolnshire fault line which runs just 20 metres to the north. The excavated soil was placed in the gardens to create a naturalistic pleasure ground mount on which Brown planted a circular grove of English Quercus robur and Turkey Oak Quercus cerris. Along the north bank of the lake he strategically planted Cedar of Lebanon Cedrus libani to frame the views to his 'eye catchers' the temple, the boathouse and Lion Bridge.

Brown's vision assumed that the landscape was to be enjoyed in motion, on foot or from the window of a carriage – he gave the visitor tantalising views and vistas of the House that were carefully considered and he achieved this through clever naturalistic planting. He also utilised the siting of the House, at the bottom of a natural amphitheatre, to great effect and all the views around the Park lead down to the House.

The Lion Bridge was designed and built by Brown in 1755 Lion Bridge was designed and built between 1773-77 to provide a focal point and to accentuate the idea of the lake being a sinuous river rather than a spring fed lake.

In November 2013 the Estate joined forces with Natural England and committed to their ten-year Higher Level Stewardship Scheme and in 2014 the Burghley Park Management Plan was produced. The plan includes a programme of works designed to restore Brown's original landscape designs. The Estate is also committed to enhance the unique collection of veteran and ancient trees and over the last ten years we have planted 320 parkland trees to replace some of those that have been lost since the record of the late nineteenth century Ordnance Survey plan. More widely, we have planted significant areas of woodland; in 1992 we had 211 hectares of woodland and we have now increased this to 346 hectares across the Estate. As best practice we have recently submitted a ten year forestry management plan to the Forestry Commission for the care of our woodlands across the whole Estate.

Careful oversight of events to prevent compaction and on-going maintenance is essential to safeguard this remarkable place for the next generation. The parkland comes alive with the inclusion of our historic deer herd and when it is enjoyed by our visitors on a daily basis or during events, but we maintain a careful balance to ensure that our trees - which are some of our most precious natural assets - are preserved for the future.

Peter Glassey

Head of Landscape and Forestry

Looking to the future

Our objectives for 2021/22

Planning for this forthcoming year is an extraordinary challenge but the lessons learnt during 2020 will stand us in good stead. While the House and Gardens will open at the earliest opportunity following guidelines, we will make every effort to revive some of the events that were cancelled or postponed during COVID.

One particular opportunity is the rescheduling of the series of events to commemorate the 500th anniversary of the birth of William Cecil, 1st Baron Burghley. Perhaps fortuitously, because of conflicting records, the choice of year most appropriate for this celebration is open to interpretation and involved healthy debate. There are surviving historical records and family documents - often annotated in Cecil's own hand - that record his birth as being in both 1520 and 1521. Happily we have been able to take advantage of this ambiguity and are planning to move almost all the celebrations and lectures that were due to take place last year, into 2021 and still be content that we are celebrating his 500th anniversary. Working with the Lord Burghley 500 Foundation, we will be promoting the study of this extraordinary man who acted as Elizabeth I's chief minister and loyal advisor for over 40 years. In particular, lectures at Burghley House will examine his life at court, his dynastic ambition and his architectural legacy. At the House entrance, our new timeline exhibition detailing Cecil's life and achievements, demonstrates his immense influence over politics, religion, and daily life of 16th Century England. It reveals him as an astonishingly skilled designer and builder, responsible for both Burghley and Theobalds, two of the greatest prodigy houses in England.

Our Treasury exhibition, planned for last year, will be reinstalled: 'William Cecil, Builder of Burghley'. This will include a wide selection of rare and precious items relating to the Treasurer's life and times. One of the most intriguing is his atlas, which contains hand-coloured maps carrying annotations of safe ports and contacts around northern Europe. Also on view will be a selection of jewelled rock crystal ornaments including a Chinese silver-gilt mounted porcelain bowl presented by Queen Elizabeth I. We are fortunate to have the earliest known plan of a London house and garden - Cecil House - on the Strand, which illustrates the role of such a property in court life, including the tennis court and bowling green which would have entertained guests and his wards of court.

Our annual exhibition of sculpture, planned for last year, will be completely installed this year- again in honour of the 500th anniversary of William Cecil. The 2021 exhibition will present sculptures that explore the 'HOUSE' as architecture and the domesticity of the home. Sculptures that exhibit particular architectural qualities or with elements directly relating to Burghley House will be placed throughout the gardens. Highlights of these explorations include: a giant snail whose shell takes its geometry from Burghley's octagonal towers, an origami house carved in stone, a giant steel archway, painted skyscrapers and Doug Clark's Ozymandic Arch, which implies Classicism and ruin on a monumental scale.

One of the greater challenges for us this year will be providing full access to the Garden of Surprises. As a design, its success is based on the creation of smaller rooms and features within the garden, with a variety of experiences and sensory interaction. We will continue to review how this part of the gardens can be managed and enjoyed by our visitors.

Strategic Report

Achievements and performance

References to 2020 mean the financial year ended 31 January 2020.

The year to 31 January 2021 was a difficult year for the Trust financially, due to the impact of the COVID-19 pandemic. Under Government restrictions Burghley House was closed to the public for much of the year and the majority of functions and events at the House and inside the Park were cancelled.

On the estate, commercial tenants struggled to afford their rent, particularly those in the hospitality sector, and every effort was made to offer support to ensure that they could remain in business until restrictions were lifted.

As a result of the uncertainty facing the Trust, the Governors took advantage of the Coronavirus Business Interruption Loan Scheme and borrowed £2m to provide necessary working capital.

Despite the difficulties experienced during the year the Governors were determined not to fall behind with the maintenance and repair of Burghley House and opportunities were taken to complete some large projects while the House was closed. Notably the dredging of Burghley Lake was expanded to take advantage of the cancellation of the Burghley Horse Trials, this project is now almost complete.

The Trust's achievements for the year are stated on pages 6 to 21.

Income

Burghley Horse Trials Limited, a trading subsidiary of the Charity, which normally provides significant sums to the Charity was cancelled, fortunately the Event was covered by insurance and a small surplus was made as a result of running a 'virtual Burghley'.

Income derived from investment properties and other property assets owned by the Trust amounted to £4.7 million (2020: £4.8 million). This reflected an increase in quarrying royalties whilst property asset income fell.

Income from the showing of Burghley House fell to £256,052 as a result of the enforced closure, a decrease from £868,657 in the previous year.

Costs of raising funds

Expenditure on generating funds reduced to slightly under £4.6m million (2020: £7.2 million) as a result of savings made during House closure.

Cost of charitable activities

The cost of repairing and restoring the fabric of Burghley House and its collections came to £1,383,739 (2020: £1,331,977).

Savings were made where possible but Governors felt obliged to protect their core assets despite the cashflow challenges the loss of income created.

Surplus for the year

The Trust showed an unrestricted income fund surplus for the year of £241,452 (2020: surplus £1,122,298), an unrestricted expendable endowment fund surplus of £178,809 (2020: surplus £4,872,284) and a restricted expendable endowment fund deficit of £4,760 (2020: deficit £4,760).

The net surplus is £415,501 (2020: surplus £5,989,822) and has been added to unrestricted income, unrestricted expendable endowment and restricted expendable endowment funds.

This result is stated after deciding not to revalue the investment properties (2020: an increase of £4,500,000).

A transfer of £1,248,942 was made from the unrestricted income fund to the unrestricted expendable endowment (2020: £717,352) in accordance with the reserves policy below.

The results of the subsidiary companies, Burghley Enterprises Limited and Burghley Horse Trials Limited, show profits for the year of £110,323 (2020: £582,128) and £41,770 (2020: £173,672) respectively and are incorporated into these accounts. The profits are paid up to this Charity under Gift Aid.

The Governing Body do not consider it would be appropriate to make provision in the accounts for the significant cost of dealing with the backlog of dilapidations to property owned by the Charity. Nevertheless it is necessary to read the accounts in the knowledge of the quantum of expenditure which is outstanding. These future costs are discussed in the reserves policy below.

Reserves policy

The Governors have reviewed the Charity's reserves policy, taking into account future income projections and expenditure plans in line with the strategic plan of Burghley House Preservation Trust Limited, together with the associated risks and opportunities.

The Governors policy is to maintain a level of reserves which will provide a stable base for the Charity's continuing activities and enable the Charity to adjust to any significant change in financial resources through unplanned events, whilst ensuring that excessive funds are not accumulated.

Governors intend to invest any surplus of income into either its Heritage Asset, to fulfil the Charity's objectives, or to invest further into its endowment to provide increased income in the future. A transfer between the unrestricted income fund and the unrestricted expendable endowment fund is made to reflect this investment.

Advantage has been taken of affordable short term bank debt to provide working capital to finance the fulfilment of the objectives and property development and it is therefore anticipated that the income account will be overdrawn and will match net current liabilities. This is not expected to be significant.

The total reserves of the Charity were £76,242,062, of which £1,108,760 were restricted expendable endowment funds and £80,590,174 were unrestricted expendable endowment funds. The unrestricted income fund was overdrawn by £5,027,531.

Investment policy

The Governors have reviewed and retained the Charity's investment policy, which states that the Governors of the Trust wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of the Charity.

The Governors, in delegating their investment security management to Cazenove Capital Management Limited, require the managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as is appropriate to the circumstances of the Charity. The same criteria apply to the Agents managing their investment property portfolio.

The Governors have a duty to optimise financial returns for the Charity, but may exclude certain types of investment from the investment security portfolio, taking into account social and environmental issues.

During the year to 31 January 2021, the investment security portfolio generated total revenue of £29,463 (2020: £31,491) and realised and unrealised gains of £238,801 (2020: gains £4,719,592). The investment property portfolio generated net revenue of £3,396,189 (2020: £3,583,983), as referred to in the sections above. Given the prevailing market conditions during the year, the Governors were satisfied with the overall performance of the investments.

Principal risks and uncertainties

Governors have identified areas of potential risk and uncertainty:

- The loss or destruction of the Charity's historic property and collections
- The ongoing liability to repair and restore Burghley House and contents
- Decreasing visitor numbers to Burghley
- The risk of investment income declining as a result of a weak property rental market
- The loss of sponsorship of the Burghley Horse Trials

Governors have put in place a number of measures to manage these risks. There are regular reviews of the condition of Burghley House by a qualified architect. Annual exhibitions and other events are held at Burghley House to attract visitor interest (detailed in this report). Continued inward investment is made to the property portfolio and there is also an ongoing programme of investment diversity. The Burghley Horse Trials is managed with the intention of being the best equestrian event of its type in the world in order to attract commercial sponsorship.

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's revised general guidance on public benefit when reviewing the Charity's objectives and planning future activities.

Donations

During the year the Charity made charitable donations amounting to £8,000 (2020 : £5,000).

Structure, Governance and Management

Company

The Governors are Directors of the Charity for the purposes of the Companies Act 2006. The Charity is a Charitable Company limited by guarantee and was set up on 3 April 1969. It is governed by a memorandum and articles of association.

Governors

The Members of the Governing Body who served the Charity during the year were:

The Hon Edward Leigh-Pemberton (Chairman)
J C S Chenevix-Trench Esq
E G Clive, Esq
Sir Giles Floyd Bt
E M Harley, Esq
W A Oswald, Esq
W H M Parente Esq
S J Richmond-Watson Esq
B T J Stevens, Esq
Mrs Jane Tufnell (retired 27 March 2021)

None of the Governors had a beneficial interest in any contract outside the normal course of business to which the Charity was a party during the year.

From time to time a panel of Governors will consider the addition of new members to the Governing Body. Any proposals from such a panel is brought to the full Governing Body for its approval. In addition to receiving an induction pack, new Governors undergo an orientation day with the Chairman and Estates Director of the Charity to brief them on their legal obligations under charity law, the decision making processes and the recent financial performance of the Charity. Governors are encouraged to attend appropriate external training events where these facilitate the undertaking of their role and are also provided with legal and accounting updates as required.

The full Governing Body of the Charity meets formally three times a year, and deals with planning and strategy decisions and reviews the activities of the Charity. Important issues arising between meetings are normally dealt with orally or by correspondence by the Chairman. Day-to-day management of the Charity is delegated by the Governors to the Estates and House Directors, who report weekly to the Chairman and regularly to the Executive Committee consisting of four Governors.

The Governors' responsibilities

The Governors (who are also Directors for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and the group and to enable them to ensure that the financial statements comply with the Companies Act 2006 and also with the requirements of the Statement of Recommended Practice (SORP) issued by the Charity Commissioners for England and Wales. 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.

Fundraising

The Governors take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The Charity does not raise funds directly from the general public and does not actively solicit donations. The Charity does not work directly with commercial sponsors but where commercial sponsorship is arranged for an event, such as the Burghley Horse Trials, a clear contract is in place between the trading company and the commercial sponsor. The Governors are not aware of any complaints made in respect of fundraising during the period.

Auditors

Saffery Champness LLP have confirmed that they are willing to remain in office as auditors of the Charity and accordingly a resolution to reappoint them will be put to the Governors.

Statement of disclosure to auditor

(a) so far as the Governors are aware, there is no relevant audit information of which the Charity's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Burghley Enterprises Limited

Burghley Enterprises Limited is a wholly owned subsidiary of Burghley House Preservation Trust Limited.

The company's principal activities are the provision of goods and services at Burghley House as well as property trading activities.

The directors of Burghley Enterprises Limited who served during the year were:

E M Harley Esq (Chairman)
S J Richmond-Watson Esq
Mrs M R Rock

Burghley Horse Trials Limited

Burghley Horse Trials Limited is a wholly owned subsidiary of Burghley House Preservation Trust Limited.

The company's principal activity is the management of a four-star rated equestrian event.

The directors of Burghley Horse Trials Limited who served during the year were:

E Clive Esq (Chairman)
The Hon Angela Reid
T E Bonham Esq
W A Oswald Esq
Mrs C Cecil

Burghley Land Limited

Burghley Land Limited is a wholly owned subsidiary of Burghley House Preservation Trust Limited.

The company's principal activity is that of property development.

The director of Burghley Estate Leisure Limited who served during the year was:

D J Pennell Esq

BPGC Limited

BPGC Limited is a wholly owned subsidiary of Burghley House Preservation Trust Limited.

The company's principal activity is that of a golf club.

The director of BPGC Limited who served during the year was:

D J Pennell Esq

Remuneration of key personnel

The remuneration of key personnel is monitored and authorised by the Executive Committee of Governors with reference to external factors when appropriate.

By order of the board

J E P Fitch
Secretary
2 July 2021



Independent auditors' report to the members and Governors of Burghley House Preservation Trust

Opinion

We have audited the financial statements of Burghley House Preservation Trust for the year ended 31 January 2021 which comprise the Consolidated Statement of Financial Activities, Balance Sheets, Consolidated Cash Flow Statement and notes to the financial statements, including 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 January 2021 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 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Governors (who are the directors for the purposes of Company Law and the Trustees for the purposes of Charity Law) 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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 Governors' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report which includes the Directors' Report and the Strategic Report have 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 parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Annual Report and Strategic 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:

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 26, the Governors (who are also the directors of the parent 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 and the 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 regulations made under this Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the Governors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with management and Governors and updating our understanding of the sectors in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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 parent charitable company's members, 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 parent charitable company's members and Governors 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 parent charitable company, the parent charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.


Cara Turlington (Senior Statutory Auditor)

2 July 2021

For and on behalf of Saffery Champness LLP
Chartered Accountants & Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

incorporating the income and expenditure account
for the year ended 31 January 2021

		2021 Unrestricted Income	2021 Unrestricted Expendable Endowment	2021 Restricted Expendable Endowment	2021 Total	2020 Total
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and grants	3	373,684	113,848	-	487,532	355,456
Other trading activities	3	2,503,151	-	-	2,503,151	5,843,047
Income from investments	4	4,707,841	-	-	4,707,841	4,766,257
Income from charitable activities	3	256,052	-	-	256,052	868,657
Total income and endowments		7,840,728	113,848	-	7,954,576	11,833,417
Expenditure on:						
Expenditure on raising funds		4,516,142	73,251	-	4,589,393	7,173,303
Expenditure on charitable activities		3,083,134	122,867	4,760	3,210,761	3,389,884
Other expenditure		-	-	-	-	-
Total expenditure	5	7,599,276	196,118	4,760	7,800,154	10,563,187
Net gains/(losses) on investments	18	-	261,079	-	261,079	4,719,592
Net income/(expenditure)		241,452	178,809	(4,760)	415,501	5,989,822
Transfers between funds	18	(1,248,942)	1,248,942	-	-	-
Net Movement in Funds		(1,007,490)	1,427,751	(4,760)	415,501	5,989,822
Balance brought forward		(4,564,490)	78,733,082	1,113,520	75,282,112	69,292,290
Balance carried forward	18,19	(5,571,980)	80,160,833	1,108,760	75,697,613	75,282,112

The consolidated statement of financial activities has been prepared on the basis that all operations are continuing operations.

The notes on pages 35 to 52 form part of these financial statements.

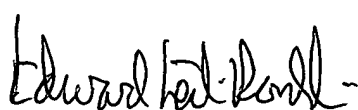
Comparative figures are included in note 28.

Balance Sheets as at 31 January 2021

		Group 2021	Group 2020	Charity 2021	Charity 2020
	Notes	£	£	£	£
Fixed assets					
Investment securities	7	3,173,049	2,918,720	3,221,563	2,967,235
Tangible assets	8	254,245	248,873	122,508	108,462
Intangible assets	9	211,426	422,853	-	-
Investment properties	10	67,190,612	66,078,494	62,735,702	66,078,494
Heritage assets	11	10,905,932	10,849,388	10,905,932	10,849,389
		81,735,264	80,518,328	76,985,705	80,003,580
Current assets					
Stocks	12	262,402	248,940	103,814	122,593
Debtors	13	556,982	735,431	5,690,196	1,341,182
Cash at bank and in hand		2,044,209	1,353,751	1,919,821	1,026,032
		2,863,593	2,338,122	7,713,831	2,489,807
Creditors: amounts falling due within one year.	14	(8,864,912)	(7,498,715)	(8,457,474)	(6,913,985)
Net current liabilities		(6,001,321)	(5,160,593)	(743,643)	(4,424,178)
Creditors: amounts falling due between 2 and 5 years:	15	(36,330)	(75,623)	-	-
Net assets		75,697,613	75,282,112	76,242,062	75,579,402
Funds					
Unrestricted Income Fund	18	(5,571,980)	(4,564,490)	(5,027,531)	(4,267,200)
Unrestricted Expendable Endowment Fund					
- Historic cost	18	50,059,381	48,872,585	50,059,381	48,872,585
- Revaluation reserve	18	30,101,452	29,860,497	30,101,452	29,860,497
Restricted Expendable Endowment Fund	19	1,108,760	1,113,520	1,108,760	1,113,520
Total Funds		75,697,613	75,282,112	76,242,062	75,579,402

The notes on pages 35 to 52 form part of these financial statements.

As permitted by Section 408 of the Companies Act 2006, the parent Charity's Statement of Financial Activities has not been included in these financial statements. The parent Charity's total incoming resources for the year were £5,758,172 (2020: £6,977,587) which includes a donation of £110,323 (2020: £582,128) from its wholly owned subsidiary undertaking, Burghley Enterprises Limited and a donation of £41,770 (2020: £173,672) from its wholly owned subsidiary undertaking, Burghley Horse Trials Limited. BPGC Limited is loss making this year, therefore does not feed into the Charity's total incoming resources for the year. The net surplus for the year for the Charity was £662,660 (2020: £6,287,112). The financial statements were approved for issue by the Governors on 2 July 2021.



Edward Leigh-Pemberton - Chairman
Governor



Sir Giles Floyd Bt.
Governor

Consolidated Cash Flow Statement for the year ended 31 January 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	21	(3,284,148)	(2,152,321)
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,396,189	3,583,983
Proceeds from the sale of property, plant and equipment			
Purchase of property, plant and equipment (including capitalised borrowing costs)		(244,666)	(303,728)
Proceeds from sale of investments		1,267,703	857,771
Purchase of investments		(2,236,311)	(1,888,049)
Net cash provided by (used in) investing activities		2,182,915	2,249,977
Cash flows from financing activities:			
Cashflow from new borrowing		2,000,000	477,283
Finance leases		(49,271)	124,884
Net cash provided by (used in) financing activities		1,950,729	602,167
Change in cash and cash equivalents in the reporting period		849,496	699,823
Cash and cash equivalents at the beginning of the reporting period		1,379,981	680,158
Cash and cash equivalents at the end of the reporting period		2,229,477	1,379,981
Cash in hand		2,044,209	1,353,751
Cash held in investment portfolio		185,268	26,230
Total cash and cash equivalents		2,229,477	1,379,981

Notes to the Accounts

1 Accounting policies

Charity information

Burghley House Preservation Trust is a Charity domiciled and incorporated in England and Wales. The registered office is 61 St Martins, Stamford, Lincolnshire, PE9 2LQ.

The Charity does not have share capital, but its liability is limited by the guarantees of its members. Each member has agreed to accept liability of an amount not exceeding £1, should the Charity be wound up. At 31 January 2021 the total of such guarantees amounted to £10.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been under the historical cost convention, as modified by the revaluation of investment assets appropriated to the Charity by the Burghley Estate Trust under the Deed of Appropriation dated 6 April 1987 and assets released by the Executors of the Estate of the 6th Marquess of Exeter. The freehold land and buildings held as investment properties forming the major part of the assets appropriated from Burghley Estate Trust and released from the Estate of the 6th Marquess of Exeter, have been reflected in the accounts at their market value at 31 January 2021. Investment securities are reflected in the accounts at market value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The group financial statements consolidate the financial statements of the Charity and its subsidiaries for the year ended 31 January 2021. The statement of financial activities (SOFA) and the balance sheet consolidate the financial statements on a line by line basis where appropriate. No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006. Details concerning the subsidiary companies, along with their results and financial position are set out in note 23.

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the costs of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The costs of the combination includes the estimated amount of contingent consideration that is probably and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combination in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and association are accounted for at cost less impairment.

1.3 Going concern

At the time of approving the financial statements, the governors have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Tangible fixed assets and depreciation

a) Heritage assets

Heritage assets are the tangible assets of the Charity that are of historical importance and are held to advance the preservation, conservation and educational objectives of the Charity and through public access contribute to the nation's culture and education.

The House, grounds and chattels transferred from the Burghley Estate Trust and under the terms of the Will of the 6th Marquess of Exeter, and subsequent development expenditure on these assets, are considered to be heritage assets and are integral to Burghley House.

Included within improvements to Burghley House and grounds are fixtures and fittings in relation to the Brewhouse and the Garden of Surprises which are included at cost and depreciated on a straight line basis calculated at an annual rate of 20% and 5% respectively.

Due to the historic and unique nature of the assets concerned conventional valuation approaches lack sufficient reliability. As a consequence the improvements to Burghley House and grounds (excluding fixtures and fittings in relation to the Brewhouse and Garden of Surprises) are included at cost and have not been depreciated. Chattels acquired prior to 2001 are included at their

probate value and chattels acquired since 2001 are included at market value, neither have been depreciated.

Expenditure on the conservation and preservation of Burghley House and its collection is charged to the unrestricted income account when it is incurred.

b) Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

Although this accounting policy is in accordance with the applicable accounting standard, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", it is a departure from the general requirement of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might have been charged cannot be separately identified or quantified.

Borrowing costs on loans taken out specifically for the construction of investment properties are capitalised as part of the cost of investment properties.

c) Other tangible assets

Other tangible assets are those which are used for charitable purposes but are not considered to be heritage assets. They are stated at cost less accumulated depreciation. The costs of minor additions are not capitalised. Depreciation of fixtures, fittings and equipment, plant and machinery and motor vehicles is on a straight line basis over periods ranging between 3 and 15 years, or 18-20% reducing balance so as to write off each asset over the term of its expected useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

d) Goodwill

Goodwill arising on the acquisition of trade and assets represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

1.5 Impairment of fixed assets

At each reporting end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Charity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in the statement of financial activities, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stock

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

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Charity's statement of financial position when the Charity becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through the statement of financial activities are measured at fair value.

Other financial assets

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through the statement of financial activities, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the statement of financial activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Basic financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through the statement of financial activities are measured at fair value.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expenses recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Charity after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Charity obligations are discharged, cancelled, or they expire.

1.9 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Any income received in relation to future periods is deferred as appropriate. The following specific policies are applied to particular categories of income:

Donations and legacies are included in full in the statement of financial activities when receivable.
Income from investments is included when receivable.
Income from charitable activities is accounted for when earned.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Golf club income represents trading from BPGC Limited from the 1 August 2019, when the trade and assets was transferred into the group.

1.10 Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Expenditure on raising funds comprises those costs directly attributable to managing the investment portfolio and raising investment income.

Expenditure on charitable activities includes those costs incurred by the Charity in the delivery of its objectives. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities objectives and activities. All costs are allocated between the expenditure categories of the statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; other costs are apportioned on the basis of the proportion of direct expenditure.

1.11 Fund accounting

Unrestricted income and expendable endowment funds are available for use at the discretion of the Governors in furtherance of the objectives of the Charity. Unrestricted income and expendable endowment funds include a revaluation reserve representing the restatement of investment assets at market rates due to the related assets being included in those funds.

Restricted expendable endowment funds are subjected to restrictions on their expenditure imposed by the donor.

1.12 Taxation

The Charity is a registered Charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the directors 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 estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Investment properties

The Charity accounts for investment properties in accordance with FRS 102. Investment properties are measured using the revaluation model with movement in valuation reported through the statement of financial activities. The Governors use their judgement to determine the fair value of the investment properties at the reporting date.

Notes to the Accounts

3 Income (excluding income from investments)

	2021 £	2020 £
Equestrian event income	1,275,537	4,027,116
Function and exhibition income	26,959	500,016
Shop sales	154,474	407,486
Film income	91,620	165,225
Restaurant income	4,001	111,234
Income from agriculture	82,483	101,046
Golf club income	773,122	408,392
Timber and woodlands income	94,471	121,182
Other income	484	1,350
	2,503,151	5,843,047
Viewing fees - House and Gardens	256,052	868,657
Donations and grants	487,532	355,456
	3,246,735	7,067,160

The total turnover of the group for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

4 Income from investments	2021 £	2020 £
Income from investment property	3,099,606	3,645,134
Income from minerals	1,577,556	1,087,782
Investment income from securities	29,463	31,491
Bank deposit interest	1,216	1,850
	4,707,841	4,766,257
Less: Expenses	(1,311,652)	(1,182,274)
	3,396,189	3,583,983

Notes to the Accounts

5 Analysis of total expenditure

	2021 Direct costs £	2021 Support costs £	2021 Total £	2020 Total £
Expenditure on raising funds				
Equestrian event expenditure	1,115,824	-	1,115,824	3,720,512
Expenditure on investment properties	1,311,652	400,573	1,712,225	1,530,774
House showing expenditure	197,030	60,172	257,202	751,770
Timber and woodland expenses	322,315	98,434	420,749	434,250
Golf Club expenditure	1,083,394	-	1,083,394	735,997
	4,030,215	559,179	4,589,394	7,173,303
Expenditure on charitable activities				
House showing	1,399,170	427,301	1,826,471	2,050,499
Maintenance of heritage property	1,060,014	323,725	1,383,739	1,331,977
Donations	550	-	550	7,408
	2,459,734	751,026	3,210,760	3,389,884
Total	6,489,949	1,310,205	7,800,154	10,563,187

Support costs

	2021 £	2020 £
Management costs	318,393	278,718
Wages and salaries	708,481	662,772
Overheads	250,075	417,208
Depreciation	-	2,144
Governance costs - audit fees	33,256	27,734
	1,310,205	1,388,576

All support costs have been allocated on the basis of the proportion of direct expenditure.

6 Surplus on current year activities

	2021 £	2020 £
Surplus on current year activities is stated after charging:		
Depreciation of tangible assets	182,750	179,014
Auditors' remuneration		
- Audit (Charity £20,900 (2020: £20,250))	34,250	34,150
- Taxation compliance services	3,150	3,000
- Other non-audit services	2,500	4,350
Grant from Natural England	113,848	307,473
Grant from The Job Retention Scheme	316,470	-

These were the only grants received from government sources in the period

Notes to the Accounts

7 Investment securities

	2021 £	2020 £
Group		
Quoted investments		
Market value at 1 February 2020	2,892,490	2,614,166
Additions	1,124,193	916,503
Disposals (Proceeds: £1,267,703, loss: £2,154)	(1,269,857)	(822,110)
Unrealised gain/(loss) on investments	240,955	183,931
	2,987,781	2,892,490
Other unquoted investments		
Cash held on deposit	185,268	26,230
Market value at 31 January 2021 - Group	3,173,049	2,918,720
Charity		
Cost of investment in subsidiaries	48,515	48,515
Value at 31 January 2021 - Charity	3,221,563	2,729,745
Historical cost at 31 January 2021	2,704,948	2,615,985

Quoted investments

The quoted investments consist of holdings of equities, bonds and other managed funds as selected by Cazenove Capital Management Limited using their delegated authority as set out in the Investment Policy on page 22, and have been revalued to reflect their market value at 31 January 2021.

Subsidiary undertakings

The cost of investment in subsidiaries represents the cost of ordinary £1 shares in the wholly owned subsidiary undertakings, Burghley Enterprises Limited, Burghley Horse Trials Limited, Burghley Estate Leisure Limited and BPGC Limited, all of which are registered in England and Wales.

The principal activities of Burghley Enterprises Limited are the provision of refreshments and the sale of goods and services at Burghley House and property trading activities.

The principal activity of Burghley Horse Trials Limited is the management of a four-star rated equestrian event.

The principal activity of Burghley Land Limited is property development.

The principal activity of BPGC Limited is a golf club. BPGC was acquired on the 1st August 2019 at a cost of £1.

Further information is summarised in note 23 on page 45.

Notes to the Accounts

8 Tangible fixed assets

	Investment Properties Freehold Land and Buildings	Total Plant and Fixtures
	£	£
Group		
Cost		
At 1 February 2020	66,078,494	1,401,957
Additions	1,248,459	113,122
Disposals	(136,341)	(35,432)
Surplus on the revaluation of properties	-	-
At 31 January 2021	67,190,612	1,479,647
Depreciation		
At 1 February 2020	-	1,153,084
On disposals	-	(35,432)
Charge for the year	-	107,750
At 31 January 2021	-	1,225,402
Net book value		
At 31 January 2021	67,190,612	254,245
At 31 January 2020	66,078,494	248,873
Charity		
Cost		
At 1 February 2020	66,078,494	1,062,041
Additions	1,093,549	81,614
Disposals	(4,436,341)	(35,432)
Surplus on the revaluation of properties	-	-
At 31 January 2021	62,735,702	1,108,223
Depreciation		
At 1 February 2020	-	953,579
On disposals	-	(35,432)
Charge for the year	-	67,568
At 31 January 2021	-	985,715
Net book value		
At 31 January 2021	62,735,702	122,508
At 31 January 2020	66,078,494	108,462

Notes to the Accounts

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance lease or hire purchase contracts:

	2021 £	2020 £
Plant and machinery	49,920	83,198
Course improvements	14,804	24,672
Fixtures and fittings	1,727	2,877
	66,451	110,747
Depreciation charge for the year in respect of leased assets	22,148	22,148

9 Intangible assets - group only

	Goodwill £	Total £
Cost		
At 1 February 2020	634,280	634,280
At 31 January 2021	634,280	634,280
Amortisation and Impairment		
At 1 February 2020	211,427	211,427
Impairment	211,427	211,427
At 31 January 2021	422,854	422,854
Net book value		
At 31 January 2021	211,426	211,426
At 31 January 2020	422,853	422,853

Goodwill represents the acquisition of BPGC Limited into the group. The acquisition took place on 1 August 2019.

Notes to the Accounts

10 Investment properties

	2021 £	2020 £
Historic cost	36,578,881	35,466,763
Revaluation reserve	30,611,731	30,611,731
Net book value at 31 January 2021	67,190,612	66,078,494

The Governors, using their knowledge of the property portfolio, have not increased the value of the investment properties at 31 January 2021 (2020: increase by £4,500,000).

11 Heritage assets

	Burghley House and grounds	Chattels at probate value	Chattels at market value	Total Heritage assets
	£	£	£	£
Group and charity Cost				
As at 31 January 2020	7,905,993	3,953,793	268,967	12,128,753
Additions	115,744	-	15,800	131,544
At 31 January 2021	8,021,737	3,953,793	284,767	12,602,297
Depreciation				
As at 31 January 2020	1,279,365	-	-	1,279,365
Charge for the year	75,000	-	-	75,000
At 31 January 2021	1,354,365	-	-	1,354,365
Net book value				
At 31 January 2021	6,667,372	3,953,793	284,767	10,905,932
At 31 January 2020	6,626,628	3,953,793	268,967	10,849,388

In accordance with the Charity's accounting policy, no value has been included within the financial statements in respect of the freeholds of the public area of Burghley House and Burghley Lake. Recent developments to Burghley House and grounds are included at cost and depreciated.

The Trust's large collection of fine art is made up of many items, including furniture, paintings, silver, miniatures, books, ceramics, tapestries and jewellery. This collection was acquired by the Earls and Marquesses of Exeter over many years and is therefore relevant to the understanding of Burghley House and its history. The Governors have decided that, given the large number and diversity of items in the collection, together with the difficulty and onerous cost of establishing a market value, to include the collection at the probate value given in October 1981 when it was transferred to the Trust by the Executors of the Will of the 6th Marquess of Exeter. The House, grounds and chattels are insured for £326 million.

Items of fine art and other chattels at Burghley House acquired since 2001 are included at market value. The Governors' policy regarding the maintenance, preservation and recording of the chattels, together with information on the access given to the public is stated on page 12.

Five year financial summary of heritage transactions:

	2021 £	2020 £	2019 £	2018 £	2017 £
Burghley House & grounds - cost of additions	131,544	132,879	319,744	145,483	897,796

Notes to the Accounts

12 Stocks

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Showing supplies	127,551	118,360	-	-
Estate maintenance supplies	1,014	473	1,014	473
Livestock	102,800	122,120	102,800	122,120
Food and beverages	3,757	7,987	-	-
Golf equipment	27,280	-	-	-
	262,402	248,940	103,814	122,593

13 Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Trade debtors	48,332	438,578	46,416	380,201
Amounts owed by subsidiary undertakings	-	-	5,313,968	703,405
Other debtors	350,814	103,973	196,303	93,556
Prepayments and accrued income	157,836	192,880	133,509	164,020
	556,982	735,431	5,690,196	1,341,182

14 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank loans and overdraft	7,649,034	5,649,034	7,649,034	5,649,034
Trade creditors	403,087	414,050	349,307	349,237
Taxes and social security costs	3,549	211,194	3,549	192,141
Other creditors	115,807	173,668	19,076	17,344
Obligations under finance leases & hire purchase contracts	39,283	49,261	-	-
Accruals and deferred income	654,152	1,001,508	436,508	706,228
	8,864,912	7,498,715	8,457,474	6,913,984

The charity has a revolving credit facility and a fixed term loan with Natwest Bank that are due to be renewed in 2021.

Security has been provided in the form of a fixed charge over certain assets of the charity. A review of the facilities is being negotiated with NatWest with a view to renewing on similar terms and therefore the Trustees consider them to be repayable within one year.

Notes to the Accounts

15 Creditors: amounts falling due between two and five years

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Obligations under finance leases & hire purchase contracts	36,330	75,623	-	-
	36,330	75,623	-	-

16 Finance lease obligations - Hire purchase

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	39,283	49,261
In two to five years	36,330	75,623
	75,613	124,884

Finance lease payments represent monthly payments by BPGC Limited for certain items of plant and machinery. The leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Pension costs

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in an independently administered fund. The pension cost charge represents contributions payable by the Charity to the fund and amounted to £239,516 (2020: £221,961).

Notes to the Accounts

18 Unrestricted income and expendable endowment funds

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Unrestricted income fund				
Balance brought forward at 1 February 2020	(4,564,490)	(4,969,436)	(4,267,200)	(4,985,343)
Surplus/(Loss) for the year	241,542	1,122,298	488,611	1,419,588
Transfer to the Unrestricted expendable endowment fund	(1,248,942)	(717,352)	(1,248,942)	(701,445)
Balance carried forward at 31 January 2021	(5,571,890)	(4,564,490)	(5,027,531)	(4,267,200)
Unrestricted expendable endowment fund				
Balance brought forward at 1 February 2020	78,733,082	73,143,446	78,733,082	73,159,353
(Loss)/deficit for the year	(82,270)	152,692	(82,270)	152,692
Surplus/(loss) on disposal of property and investments	(2,154)	35,661	(2,154)	35,661
Revaluation of investment property	-	4,500,000	-	4,500,000
Unrealised gain/(loss) on investment revaluation	263,233	183,931	263,233	183,931
Transfer from the Unrestricted income fund	1,248,942	717,352	1,248,942	701,445
Balance carried forward at 31 January 2021	80,160,833	78,733,082	80,160,833	78,733,082
Realised element of unrestricted expendable endowment fund	50,037,103	48,872,585	50,466,444	48,872,585
Unrealised gains on investment properties	29,414,455	29,414,455	29,414,455	29,414,455
Unrealised gain on investment securities	709,275	446,042	709,275	446,042
Balance carried forward at 31 January 2021	80,160,833	78,733,082	80,160,833	78,733,082

Unrestricted income and unrestricted expendable endowment funds are both available for charitable purposes, and the distinction is historical, merely to record the allocation of income and movements on income and expendable endowment funds.

19 Restricted expendable endowment fund

	1 February 2020 £	Income £	Expenditure £	31 January 2021 £
Brewhouse fund	1,079,700	-	-	1,079,700
Garden of Surprises fund	33,820	-	4,760	29,060
	1,113,520	-	4,760	1,108,760

The Brewhouse fund consists principally of monies received from the Heritage Lottery Fund towards the project to convert the Brewhouse at Burghley into a visitor attraction. The related expenditure amounting to £2,606,442, has been capitalised as a heritage asset being an improvement to Burghley House and Grounds. The Garden of Surprises fund consists principally of monies received from donors towards the project to create an Elizabethan trick garden at Burghley as a visitor attraction. The related expenditure amounting to £1,319,345 has been capitalised as being an improvement to Burghley House and Grounds.

Notes to the Accounts

20 Analysis of assets between funds

	2021 Unrestricted income fund	2021 Unrestricted expendable endowment	2021 Restricted expendable endowment	2021 Total	2020 Total
		£	£	£	£
Fund balances at 31 January 2020 are represented by:					
Investment securities	-	3,173,049	-	3,173,049	2,918,720
Tangible fixed assets	254,245	-	-	254,245	248,873
Intangible assets	211,426	-	-	211,426	422,853
Heritage assets	-	9,797,172	1,108,760	10,905,932	10,849,388
Investment properties	-	67,190,612	-	67,190,612	66,078,494
Net current (liabilities)	(6,001,321)	-	-	(6,001,321)	(5,160,593)
Creditors due between 2 and 5 years	(36,330)	-	-	(36,330)	(75,623)
	(5,571,980)	80,160,833	1,108,760	75,697,613	75,282,112

21A Reconciliation of operating deficit to net cash outflow from operating activities

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	415,501	5,989,822
Depreciation	182,750	179,014
Amortisation	211,427	211,427
Non-cash assets acquired with subsidiary	-	(634,280)
Losses/(Gains) on investments	(238,801)	(4,719,592)
Dividends, interest and rents from investments	(3,396,189)	(3,583,983)
Loss on the sale of fixed assets	-	-
(Increase)/decrease in stocks	(13,462)	(22,658)
Decrease/(increase) in debtors	178,449	(371,523)
Increase/(decrease) in creditors	(623,823)	799,452
Net cash (used in)/provided by operating activities	(3,284,148)	(2,152,321)

21B Analysis of net debt

	31 January 2020 £	cash flow £	non cash flow £	31 January 2021 £
Cash in hand	1,353,751	690,458	-	2,044,209
Notice deposits	26,230	159,038	-	185,268
	1,379,981	849,496	-	2,229,477
Bank borrowing due in less than one year	(5,649,034)	(2,000,000)	-	(7,649,034)
Bank borrowing due in more than one year	-	-	-	-
	(4,269,053)	(1,150,504)	-	(5,419,557)

Notes to the Accounts

22 Governors and employees

	Group 2021 Number	Group 2020 Number	Charity 2021 Number	Charity 2020 Number
The number of Governors who served the Group and the Company during the year was:	10	11	10	11
The average monthly number of persons employed by the Group and the Company during the year was:				
Office and management	27	28	27	28
House showing	50	62	40	52
Maintenance and forestry	16	17	16	17
Equestrian event	8	9	-	-
Golf Club	24	27	-	-
	126	143	84	97
Employment costs	£	£	£	£
Wages and salaries	2,763,520	2,630,322	1,991,682	2,003,764
Social security costs	238,308	224,303	166,810	169,079
Other pension costs (note 13)	248,741	221,961	201,815	186,036
	3,250,569	3,076,586	2,360,307	2,358,879

The number of employees whose emoluments, as defined for taxation purposes, amounted to over £60,000 in the year was 1 in the range £60,000 to £70,000 (2020 - 1), 1 in the range £90,000 to £100,000 (2020 - 1) and 2 in the range £110,000 - £120,000 (2020 - 2 in the range £100,000 - £110,000). Total remuneration of key personnel was £381,577 (2020: £373,962). Total employer's pension contributions for key personnel was £56,531 (2020: £45,533).

No remuneration was paid to any Governor in the year. Travelling and accommodation expenses of £3,751 were reimbursed to two Governors in the year (2020: £6,724 to three Governors).

23 Subsidiary companies

Burghley Enterprises Limited - Company number 02332264

The turnover of Burghley Enterprises Limited amounted to £363,319 (2020: £1,298,932), and the net profit arising of £110,323 (2020: £582,128) is due to be paid under Gift Aid to Burghley House Preservation Trust Limited. During the year the parent company charged £39,000 in rent (2020: £39,000).

The results of Burghley Enterprises Limited for the year ended 31 January 2021 are shown below. Audited accounts are filed with the Registrar of Companies.

	2021 £	2020 £
Turnover and other income	363,319	1,204,525
Cost of sales and expenses	(252,996)	(622,397)
Profit for the year	110,323	582,128
Shareholders funds	48,514	48,514

Notes to the Accounts

23 Subsidiary companies (continued)

Burghley Horse Trials Limited - Company number 07087188

The turnover of Burghley Horse Trials Limited amounted to £1,282,559 (2020: £4,027,116), and the net profit arising of £41,770 (2020: £173,672) is due to be paid under Gift Aid to Burghley House Preservation Trust Limited. During the year the parent company charged £124,416 in rent (2020: £126,442).

The results of Burghley Horse Trials Limited for the year ended 31 January 2021 are shown below.
Audited accounts are filed with the Registrar of Companies.

	2021 £	2020 £
Turnover and other income	1,282,559	4,027,116
Cost of sales and expenses	(1,240,789)	(3,853,444)
Profit for the year	41,770	173,672
Shareholders funds	1	1

BPGC Limited - Company number 12005973

The turnover of BPGC Limited amounted to £842,367 (2020: £408,394), and the net loss arising of £247,160 (2020: £307,290). During the year the parent company charged £NIL in rent (2020: £23,750).

The results of BPGC Limited for the period ended 31 January 2020 are shown below.
Audited accounts are filed with the Registrar of Companies.

	2021 £	2020 £
Turnover and other income	851,566	408,394
Cost of sales and expenses	(1,098,726)	(715,684)
Loss for the year	(247,160)	(307,290)
Shareholders funds	1	1

Burghley Land Limited - Company number 08601360

The income of Burghley Land Limited amounted to £Nil (2020: £NIL), and there was no profit in the year.

During the year the parent company sold investment properties to Burghley Land Limited valued at £4,300,000.

The parent company charged £Nil in rent (2020: £NIL).

Audited accounts are filed with the Registrar of Companies.

Notes to the Accounts

24 Related party transactions

Following the Charity Commissioners' agreement, Burghley House Preservation Trust Limited and the Trustees of the 6th Marquess of Exeter Will Trust are sharing income and expenditure in relation to the showing of Burghley House in a proportion based on their respective ownerships of Burghley House. Relative to the Deed of Apportionment agreed with the Trustees of the 6th Marquess of Exeter Will Trust, they were charged £19,450 (2020: £19,519) for management and maintenance services. The amount owed to the company in respect of these services at 31 January 2021 was £19,450 (2020: £18,519).

Rental income amounting to £13,500 (2020: £13,500) was received from The Trustees of the 6th Marquess of Exeter Will Trust during the year. No amounts were due at 31 January 2021 (2020: £Nil).

The Trustees of the 6th Marquess of Exeter are also due to receive £34,175 as a licence fee from Burghley Horse Trials Limited (2020: £142,096) and the amount outstanding at 31 January 2021 amounted to £34,175 (2020: £55,471).

25 Capital commitments

At 31 January 2021 The Charity had contracted capital expenditure of £Nil (2020: £Nil).

26 Contingent liabilities

A grant has been received from the Football Foundation to be used on the construction of facilities for a local football club. Should the terms and conditions of the grant not be adhered to within a specified period an element of the grant may be repayable. The Governors expect the terms and conditions to be adhered to and therefore believe no further disclosure is necessary in these financial statements. A legal charge has been granted in relation thereto.

Notes to the Accounts

28 Comparative information

Consolidated Statement of Financial Activities

incorporating the income and expenditure account

for the year ended 31 January 2020

		2020 Unrestricted Income	2020 Unrestricted Expendable Endowment	2020 Restricted Expendable Endowment	2020 Total
	Notes	£	£	£	£
Income and endowments from:					
Donations and grants	3	47,983	307,473	-	355,456
Other trading activities	3	5,843,047	-	-	5,843,047
Income from investments	4	4,766,257	-	-	4,766,257
Income from charitable activities	3	868,657	-	-	868,657
Total income and endowments		11,525,944	307,473	-	11,833,417
Expenditure on:					
Expenditure on raising funds		7,115,015	58,288	-	7,173,303
Expenditure on charitable activities		3,288,631	96,493	4,760	3,389,884
Other expenditure		-	-	-	-
Total expenditure	5	10,403,646	154,781	4,760	10,563,187
Net gains/(losses) on investments	18	-	4,719,592	-	4,719,592
Net income/(expenditure)		1,122,298	4,872,284	(4,760)	5,989,822
Transfers between funds	18	(717,352)	717,352	-	-
Net Movement in Funds		404,943	5,589,636	(4,760)	5,989,822
Balance brought forward		(4,564,490)	78,733,082	1,113,520	75,282,112
Balance carried forward	18,19	(4,564,490)	78,733,082	1,113,520	75,282,112

Notes to the Accounts

28 Comparative information (continued)

Analysis of total expenditure

	2020 Direct costs £	2020 Support costs £	2020 Total £
Expenditure on raising funds			
Equestrian event expenditure	3,720,512	-	3,720,512
Expenditure on investment properties	1,182,274	348,500	1,530,774
House showing expenditure	580,620	171,150	751,770
Timber and woodland expenses	335,388	98,862	434,250
Golf Club expenditure	735,997	-	735,997
	6,554,791	618,512	7,173,303
Expenditure on charitable activities			
House showing	1,583,677	466,822	2,050,499
Maintenance of heritage property	1,028,735	303,242	1,331,977
Donations	7,408	-	7,408
	2,619,820	770,064	3,389,884
Other expenditure			
Loss on disposal of assets	-	-	-
Total	9,174,611	1,388,576	10,563,187

Restricted expendable endowment fund

	1 February 2019 £	Income £	Expenditure £	31 January 2020 £
Brewhouse fund	1,079,700	-	-	1,079,700
Garden of Surprises fund	33,820	-	4,760	29,060
	1,113,520	-	4,760	1,108,760

Analysis of assets between funds

	Unrestricted income fund £	Unrestricted expendable endowment £	Restricted expendable endowment £	Total £
Fund balances at 31 January 2020				
are represented by:				
Investment securities	-	2,918,720	-	2,918,720
Tangible fixed assets	248,873	-	-	248,873
Intangible assets	422,853	-	-	422,853
Heritage assets	-	9,735,868	1,113,520	10,849,388
Investment properties	-	66,078,494	-	66,078,494
Net current (liabilities)	(5,160,593)	-	-	(5,160,593)
Creditors due between 2 and 5 years	(75,623)	-	-	(75,623)
	(4,564,490)	78,733,082	1,113,520	75,282,112

Legal and Administrative Details

Governors

The Hon Edward Leigh-Pemberton (Chairman)
J C S Chenevix-Trench Esq
E G Clive, Esq
Sir Giles Floyd Bt
E M Harley, Esq
W A Oswald, Esq
W H M Parente Esq
S J Richmond-Watson Esq
B T J Stevens, Esq
Mrs J Tufnell (retired 27 March 2021)

Key personnel

Executive Chair	Miranda Rock
Chief Executive	D J Pennell Esq (Savills plc)
Head of HR	Jo Evans
Director of Commercial Visitor Operations	P J Gompterz
Finance Director & Company Secretary	J E P Fitch Esq
Head of Land and Property	J Tusting Esq
Director of the Burghley Horse Trials	Elizabeth Inman

Company number 951524 (England and Wales)

Charity number 258489

Registered office

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