

**CASTLE HOWARD ESTATE LIMITED**  
**ABBREVIATED ACCOUNTS**  
**31 JANUARY 2014**

FRIDAY



\*A3FBQPEQ\*

A09

29/08/2014

#213

COMPANIES HOUSE

# **CASTLE HOWARD ESTATE LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 JANUARY 2014**

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
The directors' report	<b>3 to 5</b>
Independent auditor's report to the company	<b>6</b>
Independent auditor's report to the shareholders	<b>7 to 9</b>
Abbreviated profit and loss account	<b>10</b>
Abbreviated balance sheet	<b>11</b>
Cash flow statement	<b>12</b>
Notes to the abbreviated accounts	<b>13 to 25</b>

# **CASTLE HOWARD ESTATE LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **The board of directors**

The Hon. S B G Howard - Chairman  
The Hon. N P G Howard  
G F G Howard  
The Hon. P C W Howard  
Mrs V Barnsley (appointed 11 February 2014)

### **Company secretary**

Mr H A Rayment

### **Registered office**

The Estate Office  
Castle Howard  
York  
YO60 7DA

### **Auditor**

BHP Barron & Barron  
Chartered Accountants  
& Statutory Auditor  
Bathurst House  
86 Micklegate  
York  
YO1 6LQ

### **Bankers**

Coutts & Co  
8 Park Square East  
Leeds  
LS1 2LH

### **Solicitors**

Forsters LLP  
31 Hill Street  
London  
W1J 5LS

Denison Till  
Stamford House  
Piccadilly  
York  
YO1 1PP

# **CASTLE HOWARD ESTATE LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 31 JANUARY 2014**

### **Review of the business**

The profit on ordinary activities for the year amounted to £54,243 to be deducted from accumulated losses brought forward. Accumulated losses carried forward at 31st January 2014 are £577,766.

The business continued to make progress in its objective to conserve and restore the historic buildings and landscape of the Castle Howard Estate.

The estate continues to investigate opportunities for redevelopment of redundant building stock and opportunities in the leisure and tourism sector.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the company.


Turnover saw a modest increase of 4.2% in the year throughout most departments, however most departments saw a reduction in gross profit, resulting in an overall operating loss for the year. An increase in wage costs and the redevelopment of redundant building stock during the latter part of the year were a contributing factor towards the operating loss.

Profits were boosted from this difficult trading year with the sale of a property in the year.

Looking into the 2014/15 year, the trading budget indicates a small turnover improvement on 2013/14 with almost all departments improving. Cost of sales and administrative expenses are once again expected to be challenging, with an operating loss budgeted at a slightly higher level than 2013/14.

The company's most significant risks are seen to be interest rate risk and credit risk, both of which the directors give due attention to mitigating these risks.

Signed by order of the directors



MR H A RAYMENT  
Company Secretary

Approved by the directors on 16 May 2014

# CASTLE HOWARD ESTATE LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 JANUARY 2014

The directors present their report and the financial statements of the company for the year ended 31 January 2014.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The activities of the company are those of an Estate Company carrying on activities relating to land ownership.

### MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the directors, the value of the freehold property is in excess of any liabilities that the company has incurred. However, in the absence of a professional valuation an accurate figure cannot be expressed.

### RESULTS AND DIVIDENDS

The profit for the year amounted to £54,243. The directors have not recommended a dividend.

### FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 16 to the accounts.

### DIRECTORS

The directors who served the company during the year were as follows:

The Hon. S B G Howard  
The Hon. N P G Howard  
G F G Howard  
The Hon. P C W Howard

The directors in office throughout the year and their beneficial and trustee interest in the share of the company were as follows:

	Ordinary shares of £1 each As at 31 January		7.5% non-cumulative preference shares of £1 each As at 31 January	
	2014	2013	2014	2013
As Trustees -				
The Hon. S B G Howard )				
The Hon. N P G Howard )	10,000	10,000		
As Beneficiaries under a Settlement -				
The Hon. S B G Howard			40,000	40,000
The Hon. N P G Howard			40,000	40,000

The Hon. P C W Howard was appointed as a director on 1 February 2013.  
Mrs V Barnsley was appointed as a director on 11 February 2014.

### FIXED ASSETS

The movement in tangible fixed assets during the year is set out in note 12 to the financial statements.

# **CASTLE HOWARD ESTATE LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 JANUARY 2014**

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **AUDITOR**

BHP Barron & Barron are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# CASTLE HOWARD ESTATE LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2014

Registered office:  
The Estate Office  
Castle Howard  
York  
YO60 7DA

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'H. A. Rayment', with a long horizontal flourish extending to the right.

MR H A RAYMENT  
Company Secretary

Approved by the directors on 16 May 2014

# **CASTLE HOWARD ESTATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO CASTLE HOWARD ESTATE LIMITED**

### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts, together with the financial statements of Castle Howard Estate Limited for the year ended 31 January 2014 prepared under Section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 company for our work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

### **OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

### **OTHER INFORMATION**

On 16 May 2014 we reported as auditor to the members of the company on the full financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 31 January 2014, and the full text of the company audit report is reproduced on pages 7 to 9 of these financial statements.

Bathurst House  
86 Micklegate  
York  
YO1 6LQ

16 May 2014

GUY WARD FCA (Senior Statutory  
Auditor)  
For and on behalf of  
BHP BARRON & BARRON  
Chartered Accountants  
& Statutory Auditor



# **CASTLE HOWARD ESTATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLE HOWARD ESTATE LIMITED**

**YEAR ENDED 31 JANUARY 2014**

We have audited the financial statements of Castle Howard Estate Limited for the year ended 31 January 2014. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

# **CASTLE HOWARD ESTATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLE HOWARD ESTATE LIMITED *(continued)***

**YEAR ENDED 31 JANUARY 2014**

### **QUALIFIED OPINION**

#### **QUALIFIED OPINION FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT**

The company owns various freehold land and buildings, which have been included at a nominal value of £1, with sales and purchases included in the Profit and Loss Account. The company also owns various exhibits which are included at cost. Both the above do not comply with the requirements of the Companies Act 2006 and FRS 15 in relation to the reflection of fixed assets at a fair value. In our opinion these assets are worth substantially more than the accounts value but without a professional valuation it is not possible to quantify the exact values. It should be noted that no depreciation has been provided on the above assets in accordance with FRS 15. The financial statements do not include an explanation for this departure from applicable accounting standards as required by the Companies Act 2006.

Except for the failure to account for the fair value of fixed assets and related depreciation in accordance with FRS 15, in our opinion the financial statements:

give a true and fair view of the state of the company's affairs as at 31st January 2014 and of its loss for the period then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

# **CASTLE HOWARD ESTATE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLE HOWARD ESTATE LIMITED *(continued)***

**YEAR ENDED 31 JANUARY 2014**

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

Bathurst House  
86 Micklegate  
York  
YO1 6LQ

16 May 2014

GUY WARD FCA (Senior Statutory  
Auditor)  
For and on behalf of  
BHP BARRON & BARRON  
Chartered Accountants  
& Statutory Auditor

**CASTLE HOWARD ESTATE LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 2014**

	Note	2014 £	2013 £
<b>GROSS PROFIT</b>		782,272	1,056,387
Administrative expenses		887,593	815,829
<b>OPERATING (LOSS)/PROFIT</b>	2	(105,321)	240,558
Sale of property		188,985	—
		83,664	240,558
Interest receivable	5	1,190	159
Profit on disposal of investments	6	—	59,977
Interest payable	7	(30,611)	(33,467)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		54,243	267,227
Tax on profit on ordinary activities	8	—	57,228
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>£54,243</u>	<u>£209,999</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 13 to 25 form part of these abbreviated accounts.

# CASTLE HOWARD ESTATE LIMITED

## ABBREVIATED BALANCE SHEET

31 JANUARY 2014

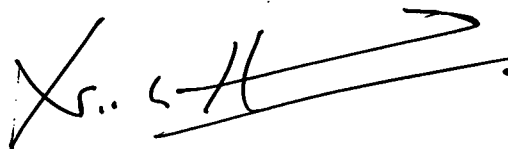
	Note	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible assets	9	758,451	801,225
<b>CURRENT ASSETS</b>			
Stocks	10	879,310	1,028,088
Debtors	11	346,745	369,566
Investments	12	9,597	8,462
Cash at bank and in hand		131,495	96,953
		<u>1,367,147</u>	<u>1,503,069</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>982,277</u>	<u>1,335,438</u>
<b>NET CURRENT ASSETS</b>		<u>384,870</u>	<u>167,631</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,143,321</u>	<u>968,856</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	<u>1,182,987</u>	<u>1,062,765</u>
		<u>£(39,666)</u>	<u>£(93,909)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	18	90,000	90,000
Share premium account	19	448,100	448,100
Profit and loss account	20	(577,766)	(632,009)
<b>DEFICIT</b>	21	<u>£(39,666)</u>	<u>£(93,909)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of section 445(3) Companies Act 2006 in regard to medium-sized companies.

These abbreviated accounts were approved by the directors and authorised for issue on 16 May 2014, and are signed on their behalf by:



THE HON. S B G HOWARD



THE HON. N P G HOWARD

Company Registration Number: 00480214

The notes on pages 13 to 25 form part of these abbreviated accounts.

# CASTLE HOWARD ESTATE LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2014

		2014		2013	
	Note	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	23		432,432		453,894
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23		(29,421)		(33,308)
TAXATION	23		(56,337)		–
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23		54,643		(108,452)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING			<hr/>		<hr/>
			401,317		312,134
MANAGEMENT OF LIQUID RESOURCES					
Cash placed in other liquid investments			(1,135)		(843)
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES			(1,135)		(843)
FINANCING	23		(278,775)		(464,044)
INCREASE/(DECREASE) IN CASH	23		<hr/>		<hr/>
			<u>£121,407</u>		<u>£(152,753)</u>

The notes on pages 13 to 25 form part of these abbreviated accounts.

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2014**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments.

The Balance Sheet shows a deficit of £39,666 but as the freehold property has been included at a nominal value of £1 the directors consider that it is appropriate to prepare the financial statements on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future because the value of the freehold property is in excess of any liabilities that the company has incurred.

**Turnover**

Turnover represent the amount of entrance fees received, rents receivable and goods and produce sold (stated net of value added tax).

**Heritage and fixed assets**

Castle Howard is known as one of England's finest historic houses, on which work began in about 1699. The Estate is situated within the Howardian Hills, an Area of Outstanding Natural Beauty, and comprises over 115 listed buildings, monuments, follies, land, ancient woodland and collections.

To value the Company's numerous heritage assets would not only involve very considerable expense but conventional valuations would, in certain cases, lack sufficient reliability. Even if reliable valuations could be obtained the Directors consider that the cost would be wholly disproportionate to any likely benefit to the Company or to other users of the accounts. Accordingly the Company does not recognise the heritage assets on its Balance Sheet, except by attributing a nominal value of £1 to the House, properties, land, other buildings, structures and follies. Purchased Exhibits are included at cost, but not donations, on which no value is placed.

The Directors occasionally approve the disposal of an asset, the purchase of heritage assets or costs incurred on the improvement of heritage assets. Where such items relate to land, buildings, the House or follies, they are reflected in the Profit and Loss Account under Property Transactions (note 7).

**Preservation Costs**

Expenditure which in the Directors' view is required to restore or conserve individual items, including preservation work on Castle Howard House, other listed buildings, scheduled monuments etc., is recognised in the Profit and Loss Account when it is incurred.

Further information on heritage assets is given in notes 12 and 26 to the accounts.

All other fixed assets are initially recorded at cost.

# CASTLE HOWARD ESTATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2014

### 1. ACCOUNTING POLICIES *(continued)*

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery -	5 years	Motor vehicles	- 4 years
Other assets	- 20 years	Leased assets	- over the term of primary lease

No depreciation has been provided on freehold property, or castle opening exhibits.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Work in progress**

Farm livestock, produce, stores and workings in land is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of farm livestock, produce, stores and workings in land.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### **Finance lease agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.



**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2014**

**1. ACCOUNTING POLICIES** *(continued)*

**Financial instruments**

**Investments**

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

**Trade and other debtors**

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

**Cash and cash equivalents**

Cash and cash equivalents are included in the balance sheet at cost. Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

**Interest-bearing loans and borrowings**

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at the amounts payable at the year end.

**Government grants**

Government grants on capital expenditure have been deducted from the costs of the relevant assets. Grants of a revenue nature are credited to income in the period to which they relate.

**2. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit is stated after charging/(crediting):

	<b>2014</b>	2013
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	181,523	202,180
Depreciation of assets held under hire purchase agreements	—	5,855
Profit on disposal of fixed assets	(4,407)	(5,715)
Auditor's remuneration		
- as auditor	35,000	34,862
Operating lease costs:		
- Plant and equipment	<u>11,884</u>	<u>16,154</u>

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2014**

**3. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Average weekly number of full time employees (excluding directors)	66	59
Average weekly number of part time employees (excluding directors)	148	144
	<u>214</u>	<u>203</u>

The aggregate payroll costs of the above were:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,682,058	2,595,277
Social security costs	189,473	190,073
Other pension costs	150,959	125,695
	<u>3,022,490</u>	<u>2,911,045</u>

**4. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Remuneration receivable	<u>193,821</u>	<u>177,564</u>

**5. INTEREST RECEIVABLE**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>1,190</u>	<u>159</u>

**6. PROFIT ON DISPOSAL OF INVESTMENTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on disposal of investments	<u>-</u>	<u>(59,977)</u>

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2014**

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	2,154	774
Loan interest payable	28,457	32,624
Finance charges	—	69
	<u>30,611</u>	<u>33,467</u>

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK Corporation tax based on the results for the year at 20% (2013 - 20%)	—	57,228
Total current tax	<u>—</u>	<u>57,228</u>

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2013 - 20%).

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>54,243</u>	<u>267,227</u>
Profit on ordinary activities by rate of tax	10,849	53,445
Capital allowances adjustment	(6,078)	13,416
Losses carry forward/back	(4,771)	(9,633)
Total current tax (note 8(a))	<u>—</u>	<u>57,228</u>

# CASTLE HOWARD ESTATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2014

### 9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Exhibits £	Total £
<b>COST</b>				
At 1 February 2013	1	2,705,013	438,880	3,143,894
Additions	—	138,993	—	138,993
Disposals	—	(22,501)	—	(22,501)
<b>At 31 January 2014</b>	<u>1</u>	<u>2,821,505</u>	<u>438,880</u>	<u>3,260,386</u>
<b>DEPRECIATION</b>				
At 1 February 2013	—	2,342,669	—	2,342,669
Charge for the year	—	181,523	—	181,523
On disposals	—	(22,257)	—	(22,257)
<b>At 31 January 2014</b>	<u>—</u>	<u>2,501,935</u>	<u>—</u>	<u>2,501,935</u>
<b>NET BOOK VALUE</b>				
<b>At 31 January 2014</b>	<u>1</u>	<u>319,570</u>	<u>438,880</u>	<u>758,451</u>
At 31 January 2013	<u>1</u>	<u>362,344</u>	<u>438,880</u>	<u>801,225</u>

The House, properties, land and other buildings structures and follies are included at a nominal value of £1. Purchased Exhibits are included at cost, and although some are donated, in the Directors' view the value of these donations is not material, so that obtaining a current valuation would involve disproportionate expense.

It is the Company's policy to maintain its heritage assets, including exhibits, to the highest standard possible. The costs of improvements, restoration and conservation are charged to the Profit and Loss Account when incurred. The exhibits have indeterminate lives and the Directors do not therefore consider it appropriate to charge depreciation.

Five year financial summary of heritage asset transactions

	Year to 31.01.00	Year to 31.01.11	Year to 31.01.12	Year to 31.01.13	Year to 31.01.14
<b>Property Transactions</b>					
Additions and improvements	£ 11,920	272,584	12,950	33,000	-
Net Proceeds of sales	£ -	671,221	208,778	-	188,985

#### Hire purchase agreements

Included within the net book value of £758,451 is £Nil (2013 - £9,504) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £Nil (2013 - £5,855).

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2014**

**10. STOCKS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Materials and consumables	30,033	35,089
Farm livestock, produce, stores and workings in land	448,818	579,757
Goods for resale	400,459	413,242
	<u>879,310</u>	<u>1,028,088</u>

**11. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	56,215	71,679
Other debtors	4,440	1,143
Prepayments and accrued income	286,090	296,744
	<u>346,745</u>	<u>369,566</u>

**12. INVESTMENTS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade investments	<u>9,597</u>	<u>8,462</u>

**13. CREDITORS: Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	173,631	656,629
Trade creditors	341,426	179,157
Corporation tax	891	57,228
PAYE and social security	42,519	41,932
VAT	69,306	61,439
Hire purchase agreements	—	2,864
Other creditors	52,830	40,598
Accruals and deferred income	301,674	295,591
	<u>982,277</u>	<u>1,335,438</u>

The bank overdraft is unsecured.

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2014**

**14. CREDITORS: Amounts falling due after more than one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank loans	876,192	653,169
Directors' loan accounts	306,795	409,596
	<u>1,182,987</u>	<u>1,062,765</u>

The bank loans with The Agricultural Mortgage Corporation PLC are secured on land owned by the company.

Details of loans repayable five years or more are as follows: Agricultural Mortgage Corp. Plc.

Loan at variable rate repayable by 4 Jul 2021	22,404	25,493
Loan at variable rate repayable by 12 Apr 2021	5,386	6,165
Loan at variable rate repayable by 18 Feb 2021	233,533	265,990
Loan at variable rate repayable by 15 Aug 2021	249,868	281,859
Loan at variable rate repayable by 2 Jan 2024	365,000	—
	<u>876,191</u>	<u>579,507</u>

**15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Amounts payable within 1 year	—	2,864
	<u>—</u>	<u>2,864</u>
Hire purchase agreements are analysed as follows:		
Current obligations	—	2,864
	<u>—</u>	<u>2,864</u>

# CASTLE HOWARD ESTATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2014

### 16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest risks arising from its operations and from its sources of finance; and
- (c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

#### *Interest rate risk*

The company takes out a mixture of fixed and variable rate loans as a means to managed interest rate risk.

#### *Credit risk*

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

### 17. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Assets other than Land and buildings</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	9,569	11,279
Within 2 to 5 years	10,894	20,463
	<u>20,463</u>	<u>31,742</u>

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2014**

**18. SHARE CAPITAL**

**Authorised share capital:**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
10,000 Ordinary shares of £1 each	10,000	10,000
80,000 7.5% non-cumulative preference shares of £1 each	80,000	80,000
	<u>90,000</u>	<u>90,000</u>

**Allotted, called up and fully paid:**

	<b>2014</b>		<b>2013</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
7.5% non-cumulative preference shares of £1 each	80,000	80,000	80,000	80,000
	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>

**19. SHARE PREMIUM ACCOUNT**

There was no movement on the share premium account during the financial year.

**20. PROFIT AND LOSS ACCOUNT**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Balance brought forward	(632,009)	(842,008)
Profit for the financial year	54,243	209,999
Balance carried forward	<u>(577,766)</u>	<u>(632,009)</u>

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	54,243	209,999
Opening shareholders' deficit	<u>(93,909)</u>	<u>(303,908)</u>
Closing shareholders' deficit	<u>(39,666)</u>	<u>(93,909)</u>



# **CASTLE HOWARD ESTATE LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 JANUARY 2014**

### **22. FURTHER INFORMATION ON THE COMPANY'S HERITAGE ASSETS**

The world famous Grade I listed mansion house and designed landscape (which is itself a Grade I Registered Park and Garden) are an enormously popular heritage attraction, welcoming over 200,000 visitors each year. The mansion house is made instantly recognisable by its splendid dome, designed by Sir John Vanbrugh. Thanks to a successful television dramatisation, the majestic view across the Great Lake to the North façade has become strongly associated in many people's minds with Evelyn Waugh's classic novel *Brideshead Revisited*.

In addition the estate comprises an outstanding combination of 115 listed buildings and scheduled monuments. Several nationally important collections are contained within the Estate: horticultural, buildings, statuary and follies as well as many works of art. There is an exceptional archive of historic maps and estate papers relating to the development of the designed landscape and the English Landscape Movement, as well as a rare archive of botanical surveys.

The Company occasionally makes items from the collections available on loan to museums and other institutions for public display. It also accepts collections of paintings, furniture, statuary etc. on loan from other owners, for display in and around the House. At any one time the greater part of the collections is on display, while the remaining items are in storage or in rooms not open to the public, awaiting restoration or rotation as appropriate. Access to exhibits is permitted to scholars and others for research purposes, subject to agreement by the Directors.

#### **Preservation and Management**

The collections are managed by a Curator, who reports to the Directors in accordance with policies approved by the Directors.

The Curatorial Department is responsible for managing and safeguarding the collections at Castle Howard, including the archives, facilitating research projects and disseminating information about Castle Howard and its history.

The Estate Office and the Curatorial Department keep registers of the heritage assets for which they are respectively responsible.

Over the last five decades more than £9m has been committed to conservation and essential repairs of Castle Howard's heritage assets; this is in addition to regular spending on maintenance and management. It is estimated that at least £24m is required to improve, restore or conserve listed buildings, and another £15m to bring them back to economical use. Additional expenditure is also required on the ancient trees and woodlands that give the Estate its character.

In 2008 a Conservation Management Plan was drawn up. An executive summary can be found at [www.castlehoward.co.uk](http://www.castlehoward.co.uk), or the full plan can be obtained by writing to The Estate Office, Castle Howard, York YO60 7DA.

# CASTLE HOWARD ESTATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2014

### 23. NOTES TO THE CASH FLOW STATEMENT

#### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating (loss)/profit	(105,321)	240,558
Depreciation	181,523	208,035
Profit on disposal of fixed assets	(4,407)	(5,715)
Decrease/(increase) in stocks	148,778	(144,756)
Decrease in debtors	22,821	184,234
Increase/(decrease) in creditors	189,038	(28,462)
Net cash inflow from operating activities	<u>£432,432</u>	<u>£453,894</u>

#### RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £	2013 £
Interest received	1,190	159
Interest paid	(30,611)	(33,398)
Interest element of hire purchase	—	(69)
Net cash outflow from returns on investments and servicing of finance	<u>(29,421)</u>	<u>(33,308)</u>

#### TAXATION

	2014 £	2013 £
Taxation	<u>(56,337)</u>	<u>—</u>

#### CAPITAL EXPENDITURE

	2014 £	2013 £
Payments to acquire tangible fixed assets	(138,993)	(174,293)
Receipts from sale of fixed assets	193,636	65,841
Net cash inflow/(outflow) from capital expenditure	<u>54,643</u>	<u>(108,452)</u>

#### FINANCING

	2014 £	2013 £
Repayment of bank loans	(173,110)	(419,357)
Capital element of hire purchase	(2,864)	(6,286)
Repayment of directors' long-term loans	(102,801)	(38,401)
Net cash outflow from financing	<u>(278,775)</u>	<u>(464,044)</u>

# CASTLE HOWARD ESTATE LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2014

### 23. NOTES TO THE CASH FLOW STATEMENT *(continued)*

#### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014		2013	
	£	£	£	£
Increase/(decrease) in cash in the period	121,407		(152,753)	
Net cash outflow from bank loans	173,110		419,357	
Cash outflow in respect of hire purchase	2,864		6,286	
Cash outflow from directors' long-term loans	102,801		38,401	
Cash used to increase liquid resources	<u>1,135</u>		<u>843</u>	
		401,317		312,134
Change in net debt		401,317		312,134
Net debt at 1 February 2013		(1,616,843)		(1,928,977)
Net debt at 31 January 2014		<u>£(1,215,526)</u>		<u>£(1,616,843)</u>

#### ANALYSIS OF CHANGES IN NET DEBT

	At 1 Feb 2013 £	Cash flows £	At 31 Jan 2014 £
Net cash:			
Cash in hand and at bank	96,953	34,542	131,495
Overdrafts	<u>(86,865)</u>	<u>86,865</u>	<u>—</u>
	<u>10,088</u>	<u>121,407</u>	<u>131,495</u>
Liquid resources:			
Current asset investments	<u>8,462</u>	<u>1,135</u>	<u>9,597</u>
Debt:			
Debt due within 1 year	(569,764)	396,133	(173,631)
Debt due after 1 year	<u>(1,062,765)</u>	<u>(120,222)</u>	<u>(1,182,987)</u>
Hire purchase agreements	<u>(2,864)</u>	<u>2,864</u>	<u>—</u>
	<u>(1,635,393)</u>	<u>278,775</u>	<u>(1,356,618)</u>
Net debt	<u>£(1,616,843)</u>	<u>£401,317</u>	<u>£(1,215,526)</u>

### 24. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £45,000 (2013 - £Nil).