

COMPANY REGISTRATION NUMBER 00480214

CASTLE HOWARD ESTATE LIMITED
ABBREVIATED ACCOUNTS
31 JANUARY 2012



CASTLE HOWARD ESTATE LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2012

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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

Company secretary

Mr H A Rayment

Registered office

The Estate Office
Castle Howard
York
YO60 7DA

Auditor

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

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2012

The directors present their report and the financial statements of the company for the year ended 31 January 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The loss on ordinary activities for the year amounted to £49,149 before net receipts on property of £195,828, leaving a profit of £146,679 to be deducted from accumulated losses brought forward. Accumulated losses carried forward at 31st January 2012 are £842,008

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

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 £146,679. 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

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2012

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		7.5% non-cumulative preference shares of £1 each	
	As at 31 January		As at 31 January	
	2012	2011	2012	2011
As Trustees -				
The Hon S B G Howard)				
The Hon N P G Howard)		10,000		
As Beneficiaries under a Settlement -				
The Hon S B G Howard			40,000	37,000
The Hon N P G Howard			40,000	37,000

G F G Howard was appointed as a director on 27 January 2012

FIXED ASSETS

The movement in tangible fixed assets during the year is set out in note 10 to the financial statements

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 those 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.

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2012

In so far as the directors are aware

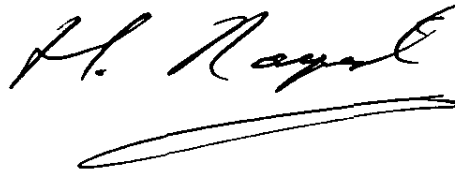
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

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

Registered office
The Estate Office
Castle Howard
York
YO60 7DA

Signed by order of the directors



MR H A RAYMENT
Company Secretary

Approved by the directors on 22 May 2012

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 2012 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.

BASIS OF OPINION

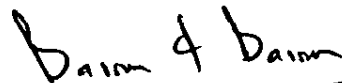
We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered 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 22 May 2012 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 31 January 2012, and the full text of the company audit report is reproduced on pages 6 to 8 of these financial statements.



GUY WARD FCA (Senior Statutory Auditor)

For and on behalf of
BARRON & BARRON
Chartered Accountants
& Statutory Auditor

Bathurst House
86 Micklegate
York
YO1 6LQ

22 May 2012

CASTLE HOWARD ESTATE LIMITED

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

YEAR ENDED 31 JANUARY 2012

We have audited the financial statements of Castle Howard Estate Limited for the year ended 31 January 2012. 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 pages 3 to 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 (APB'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 , 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. 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 2012

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 2012 and of its loss for the period then ended,

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

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

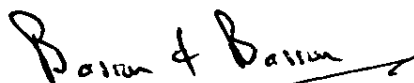
certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit

CASTLE HOWARD ESTATE LIMITED

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

YEAR ENDED 31 JANUARY 2012

A handwritten signature in black ink, appearing to read 'Guy Ward', is written over a horizontal line.

GUY WARD FCA (Senior Statutory
Auditor)

For and on behalf of
BARRON & BARRON
Chartered Accountants
& Statutory Auditor

Bathurst House
86 Micklegate
York
YO1 6LQ

22 May 2012

CASTLE HOWARD ESTATE LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2012

	Note	2012 £	2011 £
TURNOVER		7,912,926	6,378,668
Cost of Sales and Other operating income		7,009,229	6,081,718
Administrative expenses		896,296	818,749
OPERATING PROFIT/(LOSS)	2	7,401	(521,799)
Interest receivable and similar income	5	4,796	3,012
Interest payable and similar charges	6	(61,346)	(60,096)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(49,149)	(578,883)
Tax on loss on ordinary activities	7	—	—
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(49,149)	(578,883)
Property transactions	8	195,828	398,637
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>£146,679</u>	<u>£(180,246)</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 12 to 24 form part of these abbreviated accounts.

CASTLE HOWARD ESTATE LIMITED

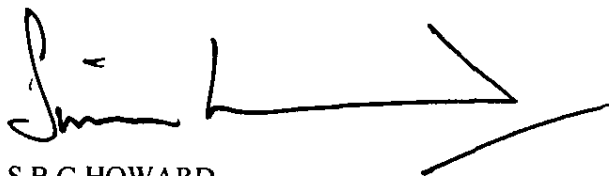
ABBREVIATED BALANCE SHEET

31 JANUARY 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	9	835,116	894,016
CURRENT ASSETS			
Stocks	10	883,332	1,012,811
Debtors	11	553,800	271,016
Investments	12	7,619	6,644
Cash at bank and in hand		162,841	157,660
		<u>1,607,592</u>	<u>1,448,131</u>
CREDITORS: Amounts falling due within one year	13	<u>870,510</u>	<u>1,367,804</u>
NET CURRENT ASSETS		737,082	80,327
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,572,198</u>	<u>974,343</u>
CREDITORS: Amounts falling due after more than one year	14	<u>1,876,106</u>	<u>1,424,930</u>
		<u>£(303,908)</u>	<u>£(450,587)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	90,000	90,000
Share premium account	19	448,100	448,100
Profit and loss account	20	(842,008)	(988,687)
DEFICIT	21	<u>£(303,908)</u>	<u>£(450,587)</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 22 May 2012, and are signed on their behalf by



THE HON S B G HOWARD

Company Registration Number 00480214

The notes on pages 12 to 24 form part of these abbreviated accounts

CASTLE HOWARD ESTATE LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 JANUARY 2012**

	Note	2012 £	£	2011 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	23		(327,880)		(144,419)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23		(56,550)		(57,084)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23		43,601		272,476
CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING			(340,829)		70,973
MANAGEMENT OF LIQUID RESOURCES Cash placed in other liquid investments		(975)		(1,233)	
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES			(975)		(1,233)
FINANCING	23		415,757		(1,760)
INCREASE IN CASH	23		<u>£73,953</u>		<u>£67,980</u>

The notes on pages 12 to 24 form part of these abbreviated accounts

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2012

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 £303,908 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 8).

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 9 and 22 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 2012

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 2012

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 PROFIT/(LOSS)

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

	2012	2011
	£	£
Depreciation of owned fixed assets	203,362	161,958
Depreciation of assets held under hire purchase agreements	8,764	18,372
Profit on disposal of fixed assets	(999)	(2,074)
Auditor's remuneration		
- as auditor	34,315	34,435
Operating lease costs		
- Plant and equipment	<u>26,677</u>	<u>23,669</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2012

3. PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Average weekly number of full time employees (excluding directors)	61	60
Average weekly number of part time employees (excluding directors)	149	149
	<u>210</u>	<u>209</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	2,569,186	2,384,967
Social security costs	193,434	181,764
Other pension costs	79,185	67,964
	<u>2,841,805</u>	<u>2,634,695</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	<u>174,491</u>	<u>171,726</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£	£
Bank interest receivable	976	1,233
Other similar income receivable	3,820	1,779
	<u>4,796</u>	<u>3,012</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable on bank borrowing	3,095	11,283
Loan interest payable	57,798	47,141
Finance charges	453	1,672
	<u>61,346</u>	<u>60,096</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2012

7. TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2011 - 21%)

	2012	2011
	£	£
Loss on ordinary activities before taxation	(49,149)	(578,883)
Loss on ordinary activities by rate of tax	(9,830)	(121,565)
Losses carry forward/back	9,830	121,565
Total current tax	-	-

8. PROPERTY TRANSACTIONS

	2012	2011
	£	£
Sale of property	(208,778)	(671,221)
Purchase of property	12,950	272,584
	(195,828)	(398,637)

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Plant under finance leases £	Exhibits £	Total £
COST					
At 1 February 2011	1	2,421,445	13,651	405,880	2,840,977
Additions	-	153,227	-	-	153,227
Disposals	-	(1)	-	-	(1)
At 31 January 2012	1	2,574,671	13,651	405,880	2,994,203
DEPRECIATION					
At 1 February 2011	-	1,933,310	13,651	-	1,946,961
Charge for the year	-	212,126	-	-	212,126
At 31 January 2012	-	2,145,436	13,651	-	2,159,087
NET BOOK VALUE					
At 31 January 2012	1	429,235	-	405,880	835,116
At 31 January 2011	1	488,135	-	405,880	894,016

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2012

9. TANGIBLE FIXED ASSETS *(continued)*

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 08	Year to 31.01 09	Year to 31 01 10	Year to 31 01 11	Year to 31 01 12
Property Transactions					
Additions and improvements	£ -	-	11,920	272,584	12,950
Net Proceeds of sales	£ 150,510	168,767	-	671,221	208,778

Hire purchase agreements

Included within the net book value of £835,116 is £15,359 (2011 - £55,454) 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 £8,764 (2011 - £18,372).

10. STOCKS

	2012 £	2011 £
Materials and consumables	49,872	37,281
Farm livestock, produce, stores and workings in land	484,750	596,030
Goods for resale	348,710	379,500
	<u>883,332</u>	<u>1,012,811</u>

11. DEBTORS

	2012 £	2011 £
Trade debtors	81,607	70,330
VAT recoverable	-	3,312
Other debtors	5,347	36,901
Prepayments and accrued income	466,846	160,473
	<u>553,800</u>	<u>271,016</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2012

12. INVESTMENTS

	2012	2011
	£	£
Trade investments	<u>7,619</u>	<u>6,644</u>

13. CREDITORS: Amounts falling due within one year

	2012	2011
	£	£
Bank loans and overdrafts	215,613	302,966
Trade creditors	157,994	411,404
PAYE and social security	43,708	41,044
VAT	81,029	—
Hire purchase agreements	7,718	24,556
Other creditors	54,954	71,205
Accruals and deferred income	309,494	516,629
	<u>870,510</u>	<u>1,367,804</u>

The bank overdraft is unsecured

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

	2012	2011
	£	£
Bank loans	1,426,677	997,338
Hire purchase agreements	1,432	9,149
Directors' loan accounts	447,997	418,443
	<u>1,876,106</u>	<u>1,424,930</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 6 70% repayable by 4 Jul 2021	—	44,219
Loan at variable rate repayable by 4 Jul 2021	28,541	31,548
Loan at variable rate repayable by 12 Apr 2021	6,933	7,691
Loan at variable rate repayable by 18 Feb 2021	298,522	—
Loan at variable rate repayable by 15 Aug 2021	3,144	—
	<u>337,140</u>	<u>83,458</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2012

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2012	2011
	£	£
Amounts payable within 1 year	7,718	24,556
Amounts payable between 1 and 2 years	1,432	7,717
Amounts payable between 3 and 5 years	-	1,432
	<u>9,150</u>	<u>33,705</u>

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 manage interest rate risk

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meet 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

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2012

17. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	16,818	20,061
Within 2 to 5 years	22,561	43,522
	<u>39,379</u>	<u>63,583</u>

18. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
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:

	2012		2011	
	No	£	No	£
10,000 Ordinary shares of £1 each	10,000	10,000	10,000	10,000
80,000 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

	2012	2011
	£	£
Balance brought forward	(988,687)	(808,441)
Profit/(loss) for the financial year	146,679	(180,246)
Balance carried forward	<u>(842,008)</u>	<u>(988,687)</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2012

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit/(Loss) for the financial year	146,679	(180,246)
Opening shareholders' deficit	(450,587)	(270,341)
Closing shareholders' deficit	<u>(303,908)</u>	<u>(450,587)</u>

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, 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 2012

23. NOTES TO THE CASH FLOW STATEMENT

**RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW
FROM OPERATING ACTIVITIES**

	2012	2011
	£	£
Operating profit/(loss)	7,401	(521,799)
Depreciation	212,126	180,330
Profit on disposal of fixed assets	(999)	(2,074)
Decrease/(increase) in stocks	129,479	(263,546)
Increase in debtors	(282,784)	(19,983)
(Decrease)/increase in creditors	(393,103)	482,653
Net cash outflow from operating activities	<u>£(327,880)</u>	<u>£(144,419)</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012	2011
	£	£
Interest received	4,796	3,012
Interest paid	(60,893)	(58,424)
Interest element of hire purchase	(453)	(1,672)
Net cash outflow from returns on investments and servicing of finance	<u>(56,550)</u>	<u>(57,084)</u>

CAPITAL EXPENDITURE

	2012	2011
	£	£
Payments to acquire tangible fixed assets	(166,177)	(403,292)
Receipts from sale of fixed assets	209,778	675,768
Net cash inflow from capital expenditure	<u>43,601</u>	<u>272,476</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2012

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

FINANCING

	2012	2011
	£	£
Increase in bank loans	410,758	14,027
Capital element of hire purchase	(24,555)	(26,832)
Net inflow from other long-term creditors	—	4,442
Repayment of directors' long-term loans	29,554	6,603
Net cash inflow/(outflow) from financing	<u>415,757</u>	<u>(1,760)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012	2011
	£	£
Increase in cash in the period	73,953	67,980
Net cash (inflow) from bank loans	(410,758)	(14,027)
Cash outflow in respect of hire purchase	24,555	26,832
Net cash (inflow) from other long-term creditors	—	(4,442)
Cash (inflow) from directors' long-term loans	(29,554)	(6,603)
Cash used to increase liquid resources	<u>975</u>	<u>1,233</u>
	(340,829)	70,973
Change in net debt	(340,829)	70,973
Net debt at 1 February 2011	(1,588,148)	(1,659,121)
Net debt at 31 January 2012	<u>£(1,928,977)</u>	<u>£(1,588,148)</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2012

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

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Feb 2011 £	Cash flows £	At 31 Jan 2012 £
Net cash:			
Cash in hand and at bank	157,660	5,181	162,841
Overdrafts	(68,772)	68,772	-
	<u>88,888</u>	<u>73,953</u>	<u>162,841</u>
Liquid resources			
Current asset investments	<u>6,644</u>	<u>975</u>	<u>7,619</u>
Debt			
Debt due within 1 year	(234,194)	18,581	(215,613)
Debt due after 1 year	(1,415,781)	(458,893)	(1,874,674)
Hire purchase agreements	(33,705)	24,555	(9,150)
	<u>(1,683,680)</u>	<u>(415,757)</u>	<u>(2,099,437)</u>
Net debt	<u>£(1,588,148)</u>	<u>£(340,829)</u>	<u>£(1,928,977)</u>