

**CASTLE HOWARD ESTATE LIMITED**  
**ABBREVIATED ACCOUNTS**  
**31 JANUARY 2010**

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# **CASTLE HOWARD ESTATE LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31 JANUARY 2010**

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# **CASTLE HOWARD ESTATE LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	The Hon S B G Howard - Chairman The Hon N P G Howard
<b>Company secretary</b>	Mr H A Rayment
<b>Registered office</b>	The Estate Office Castle Howard York YO60 7DA
<b>Auditor</b>	Barron & Barron Chartered Accountants & Statutory Auditor Bathurst House 86 Micklegate York YO1 6LQ
<b>Bankers</b>	Coutts & Co 8 Park Square East Leeds LS1 2LH
<b>Solicitors</b>	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 2010**

The directors present their report and the financial statements of the company for the year ended 31 January 2010

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

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

The profit on ordinary activities for the year amounted to £16,697 before net payments on property of £11,920, leaving a profit of £4,777 to be deducted from accumulated losses brought forward. Accumulated losses carried forward at 31st January 2010 are £808,441

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 £4,777. 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

# CASTLE HOWARD ESTATE LIMITED

## THE DIRECTORS' REPORT *(continued)*

### YEAR ENDED 31 JANUARY 2010

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	
	2010	2009	2010	2009
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

### 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 period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 2010

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 29 April 2010

# **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 2010 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**

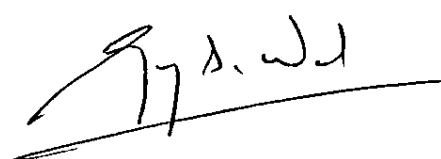
We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts 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 29 April 2010 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 2010, and the full text of the company audit report is reproduced on pages 6 to 7 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

29 April 2010

# **CASTLE HOWARD ESTATE LIMITED**

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

### **YEAR ENDED 31 JANUARY 2010**

We have audited the financial statements of Castle Howard Estate Limited for the year ended 31 January 2010. 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 Sections 495 and 496 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 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 directors, and the overall presentation of the financial statements.

### **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 2010 and of its profit 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.



# **CASTLE HOWARD ESTATE LIMITED**

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

**YEAR ENDED 31 JANUARY 2010**

### **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**

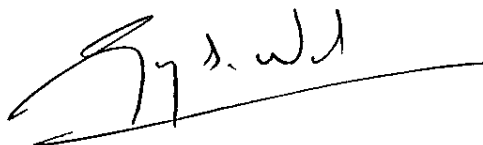
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion.

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



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

Bathurst House  
86 Micklegate  
York  
YO1 6LQ

29 April 2010

**CASTLE HOWARD ESTATE LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 2010**

	Note	2010 £	2009 £
<b>TURNOVER</b>		6,745,689	6,542,780
Cost of sales		5,853,890	5,949,791
<b>GROSS PROFIT</b>		891,799	592,989
Administrative expenses		816,028	876,971
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	75,771	(283,982)
Interest receivable and similar income	<b>5</b>	3,289	13,995
Interest payable and similar charges	<b>6</b>	(62,363)	(74,110)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		16,697	(344,097)
Tax on profit/(loss) on ordinary activities	<b>7</b>	–	(179)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		16,697	(343,918)
Property transactions	<b>8</b>	11,920	(168,767)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>£4,777</u>	<u>£(175,151)</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 11 to 21 form part of these abbreviated accounts

# CASTLE HOWARD ESTATE LIMITED

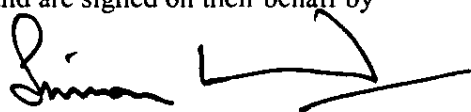
## ABBREVIATED BALANCE SHEET

31 JANUARY 2010

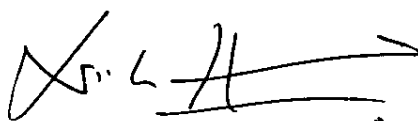
	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	9	946,111	973,512
<b>CURRENT ASSETS</b>			
Stocks	10	749,265	871,291
Debtors	11	255,475	254,359
Investments	12	5,411	4,674
Cash at bank and in hand		112,194	87,125
		<u>1,122,345</u>	<u>1,217,449</u>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>899,094</u>	<u>1,045,367</u>
<b>NET CURRENT ASSETS</b>		<u>223,251</u>	<u>172,082</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,169,362</u>	<u>1,145,594</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14	<u>1,439,703</u>	<u>1,420,712</u>
		<u>£(270,341)</u>	<u>£(275,118)</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	(808,441)	(813,218)
<b>DEFICIT</b>	21	<u>£(270,341)</u>	<u>£(275,118)</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 29 April 2010, and are signed on their behalf by



THE HON S B G HOWARD



THE HON N P G HOWARD

Company Registration Number 480214

The notes on pages 11 to 21 form part of these abbreviated accounts

# CASTLE HOWARD ESTATE LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2010

	Note	2010 £	2009 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	22	271,169	(127,073)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	(59,074)	(60,115)
TAXATION	22	—	(25,821)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22	(209,676)	(202,699)
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING		2,419	(415,708)
MANAGEMENT OF LIQUID RESOURCES Cash placed in other liquid investments		(737)	(480)
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES		(737)	(480)
FINANCING	22	(3,114)	(43,058)
DECREASE IN CASH	22	<u>£(1,432)</u>	<u>£(459,246)</u>

The notes on pages 11 to 21 form part of these abbreviated accounts

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2010**

**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

Freehold property has been included at a nominal value of £1 In the opinion of the directors, 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)

**Fixed assets**

All fixed assets are initially recorded at cost

**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

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2010**

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

**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.

**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.

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2010**

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

**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)

	<b>2010</b>	2009
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	204,526	198,325
Depreciation of assets held under hire purchase agreements	26,350	20,606
Profit on disposal of fixed assets	(5,719)	(1,077)
Auditor's remuneration		
- as auditor	33,055	33,450
Operating lease costs		
- Plant and equipment	<u>25,020</u>	<u>47,755</u>

**3. PARTICULARS OF EMPLOYEES**

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

	<b>2010</b>	2009
	<b>No</b>	<b>No</b>
Average weekly number of full time employees (excluding directors)	66	71
Average weekly number of part time employees (excluding directors)	139	148
	<u>205</u>	<u>219</u>

The aggregate payroll costs of the above were

	<b>2010</b>	2009
	<b>£</b>	<b>£</b>
Wages and salaries	2,403,182	2,308,397
Social security costs	186,447	170,011
Other pension costs	69,584	72,957
	<u>2,659,213</u>	<u>2,551,365</u>

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2010**

**4. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Remuneration receivable	<u>169,827</u>	<u>173,444</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2010 £	2009 £
Bank interest receivable	1,599	11,860
Other similar income receivable	1,690	2,135
	<u>3,289</u>	<u>13,995</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Interest payable on bank borrowing	1,703	2,034
Loan interest payable	57,623	68,003
Finance charges	3,037	4,073
	<u>62,363</u>	<u>74,110</u>

**7. TAXATION ON ORDINARY ACTIVITIES**

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

	2010 £	2009 £
Current tax		
Corporation tax	-	-
Over/under provision in prior year	-	(179)
Total current tax	<u>-</u>	<u>(179)</u>



**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2010**

**7. TAXATION ON ORDINARY ACTIVITIES** *(continued)*

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

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21% (2009 - 21%)

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before taxation	<u>16,697</u>	<u>(344,097)</u>
Profit/(loss) on ordinary activities by rate of tax	3,506	(72,260)
Adjustments re capital allowances, woods, losses etc	(3,506)	72,260
Prior year adjustment	-	(179)
Total current tax (note 7(a))	<u>-</u>	<u>(179)</u>

**8. PROPERTY TRANSACTIONS**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Sale of property	-	(168,767)
Improvements to property	11,920	-
	<u>11,920</u>	<u>(168,767)</u>

**9. TANGIBLE FIXED ASSETS**

	<b>Freehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Plant under finance leases £</b>	<b>Exhibits £</b>	<b>Total £</b>
<b>COST</b>					
At 1 February 2009	1	2,461,615	77,943	405,880	2,945,439
Additions	-	203,477	-	-	203,477
Disposals	-	(26,300)	-	-	(26,300)
<b>At 31 January 2010</b>	<u>1</u>	<u>2,638,792</u>	<u>77,943</u>	<u>405,880</u>	<u>3,122,616</u>
<b>DEPRECIATION</b>					
At 1 February 2009	-	1,893,984	77,943	-	1,971,927
Charge for the year	-	230,876	-	-	230,876
On disposals	-	(26,298)	-	-	(26,298)
<b>At 31 January 2010</b>	<u>-</u>	<u>2,098,562</u>	<u>77,943</u>	<u>-</u>	<u>2,176,505</u>
<b>NET BOOK VALUE</b>					
<b>At 31 January 2010</b>	<u>1</u>	<u>540,230</u>	<u>-</u>	<u>405,880</u>	<u>946,111</u>
At 31 January 2009	<u>1</u>	<u>567,631</u>	<u>-</u>	<u>405,880</u>	<u>973,512</u>

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2010**

**9. TANGIBLE FIXED ASSETS** *(continued)*

**Hire purchase agreements**

Included within the net book value of £946,111 is £85,218 (2009 - £77,103) 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 £26,350 (2009 - £20,606)

**10. STOCKS**

	<b>2010</b>	2009
	<b>£</b>	<b>£</b>
Materials and consumables	41,254	46,014
Farm livestock, produce, stores and workings in land	351,660	445,989
Goods for resale	356,351	379,288
	<u>749,265</u>	<u>871,291</u>

**11. DEBTORS**

	<b>2010</b>	2009
	<b>£</b>	<b>£</b>
Trade debtors	59,911	109,004
Other debtors	7,867	23,897
Prepayments and accrued income	187,697	121,458
	<u>255,475</u>	<u>254,359</u>

**12. INVESTMENTS**

	<b>2010</b>	2009
	<b>£</b>	<b>£</b>
Trade investments	<u>5,411</u>	<u>4,674</u>

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

	<b>2010</b>	2009
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	301,773	321,315
Trade creditors	232,580	157,931
PAYE and social security	37,513	126,321
VAT	20,619	48,862
Hire purchase agreements	39,692	30,145
Other creditors	66,583	86,368
Accruals and deferred income	200,334	274,425
	<u>899,094</u>	<u>1,045,367</u>

The bank overdraft is unsecured

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**YEAR ENDED 31 JANUARY 2010**

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank loans	1,007,018	1,010,970
Hire purchase agreements	20,845	39,582
Directors' loan accounts	411,840	370,160
	<u>1,439,703</u>	<u>1,420,712</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	47,434	50,262
Loan at variable rate repayable by 4 Jul 2021	34,614	38,424
Loan at variable rate repayable by 12 Apr 2021	8,439	8,222
Loan at 6.06% repayable by 31 Aug 2014	–	168,253
Loan at 6.21% repayable by 7 Oct 2014	–	172,857
	<u>90,487</u>	<u>438,018</u>

**15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Amounts payable within 1 year	39,692	30,145
Amounts payable between 1 and 2 years	18,855	28,289
Amounts payable between 3 and 5 years	1,990	11,293
	<u>60,537</u>	<u>69,727</u>

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
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**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 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 2010 the company had annual commitments under non-cancellable operating leases as set out below

	<b>Assets other than Land and buildings</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
Within 1 year	15,424	22,619
Within 2 to 5 years	12,581	24,303
	<u>28,005</u>	<u>46,922</u>

**CASTLE HOWARD ESTATE LIMITED**  
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**18. SHARE CAPITAL**

**Authorised share capital:**

	2010 £	2009 £
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:**

	2010 No	£	2009 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**

	2010 £	2009 £
Balance brought forward	(813,218)	(638,067)
Profit/(loss) for the financial year	4,777	(175,151)
Balance carried forward	<u>(808,441)</u>	<u>(813,218)</u>

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

	2010 £	2009 £
Profit/(Loss) for the financial year	4,777	(175,151)
Opening shareholders' deficit	(275,118)	(99,967)
Closing shareholders' deficit	<u>(270,341)</u>	<u>(275,118)</u>

**CASTLE HOWARD ESTATE LIMITED**  
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**22. NOTES TO THE CASH FLOW STATEMENT**

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

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating profit/(loss)	75,771	(283,982)
Depreciation	230,876	218,931
Profit on disposal of fixed assets	(5,719)	(1,077)
Decrease/(increase) in stocks	122,026	(44,123)
Increase in debtors	(27,427)	(35,262)
(Decrease)/increase in creditors	(124,358)	18,440
Net cash inflow/(outflow) from operating activities	<u>£271,169</u>	<u>£(127,073)</u>

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Interest received	3,289	13,995
Interest paid	(59,326)	(70,037)
Interest element of hire purchase	(3,037)	(4,073)
Net cash outflow from returns on investments and servicing of finance	<u>(59,074)</u>	<u>(60,115)</u>

**TAXATION**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Taxation	<u>—</u>	<u>(25,821)</u>

**CAPITAL EXPENDITURE**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Payments to acquire tangible fixed assets	(215,397)	(373,136)
Receipts from sale of fixed assets	5,721	170,437
Net cash outflow from capital expenditure	<u>(209,676)</u>	<u>(202,699)</u>

**FINANCING**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Repayment of bank loans	(49,995)	(50,642)
Capital element of hire purchase	(9,190)	5,759
Net inflow/(outflow) from other long-term creditors	14,391	(34,885)
Repayment of directors' long-term loans	41,680	36,710
Net cash outflow from financing	<u>(3,114)</u>	<u>(43,058)</u>

**CASTLE HOWARD ESTATE LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
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**22. NOTES TO THE CASH FLOW STATEMENT (continued)**

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

	2010	2009
	£	£
Decrease in cash in the period	(1,432)	(459,246)
Net cash outflow from bank loans	49,995	50,642
Cash outflow in respect of hire purchase	9,190	(5,759)
Net cash (inflow) from/outflow from other long-term creditors	(14,391)	34,885
Cash (inflow) from directors' long-term loans	(41,680)	(36,710)
Cash used to increase liquid resources	737	480
	<u>2,419</u>	<u>(415,708)</u>
Change in net debt	2,419	(415,708)
Net debt at 1 February 2009	(1,661,540)	(1,245,832)
Net debt at 31 January 2010	<u>£(1,659,121)</u>	<u>£(1,661,540)</u>

**ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Feb 2009	Cash flows	At 31 Jan 2010
	£	£	£
Net cash			
Cash in hand and at bank	87,125	25,069	112,194
Overdrafts	(64,785)	(26,501)	(91,286)
	<u>22,340</u>	<u>(1,432)</u>	<u>20,908</u>
Liquid resources			
Current asset investments	4,674	737	5,411
Debt			
Debt due within 1 year	(256,530)	46,043	(210,487)
Debt due after 1 year	(1,362,297)	(52,119)	(1,414,416)
Hire purchase agreements	(69,727)	9,190	(60,537)
	<u>(1,688,554)</u>	<u>3,114</u>	<u>(1,685,440)</u>
Net debt	<u>£(1,661,540)</u>	<u>£2,419</u>	<u>£(1,659,121)</u>