

COMPANY REGISTRATION NUMBER 480214

CASTLE HOWARD ESTATE LIMITED
ABBREVIATED ACCOUNTS
31 JANUARY 2005



CASTLE HOWARD ESTATE LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2005

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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
Company secretary	Mr D N Peake
Registered office	The Estate Office Castle Howard York YO60 7DA
Auditors	Barron & Barron Chartered Accountants & Registered Auditors Bathurst House 86 Micklegate York YO1 6LQ
Bankers	Coutts & Co 8 Park Square East Leeds LS1 2LH
Solicitors	Forsters 67 Grosvenor Street London W1K 3JN Denison Till Stamford House Piccadilly York YO1 1PP

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2005

The directors present their report and the financial statements of the company for the year ended 31 January 2005.

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 £114,190 before net expenditure on property of £194,354, leaving a loss of £308,544 to be added to accumulated losses brought forward. Accumulated losses carried forward at 31st January 2005 are £1,449,316.

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 trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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	
	2005	2004	2005	2004
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			37,000	37,000
The Hon. N P G Howard			37,000	37,000

FIXED ASSETS

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

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2005

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 10 to 11, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

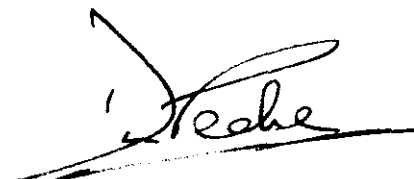
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Barron & Barron as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

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 'D N Peake', written over a horizontal line.

MR D N PEAKE
Company Secretary

Approved by the directors on 29 June 2005

CASTLE HOWARD ESTATE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 7 to 20, together with the financial statements of the company for the year ended 31 January 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. 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 auditors' 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 audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION


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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 7 to 20 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 29 June 2005 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 January 2005, and the full text of our audit report is reproduced on pages 5 to 6 of these financial statements.



BARRON & BARRON
Chartered Accountants
& Registered Auditors

Bathurst House
86 Micklegate
York
YO1 6LQ

29 June 2005

CASTLE HOWARD ESTATE LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CASTLE HOWARD ESTATE LIMITED****YEAR ENDED 31 JANUARY 2005**

We have audited the financial statements of Castle Howard Estate Limited for the year ended 31 January 2005 on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CASTLE HOWARD ESTATE LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CASTLE HOWARD ESTATE LIMITED (continued)****YEAR ENDED 31 JANUARY 2005****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 1985 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 1985.

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 2005 and of its loss and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BARRON & BARRON
Chartered Accountants
& Registered Auditors

Bathurst House
86 Micklegate
York
YO1 6LQ

29 June 2005

CASTLE HOWARD ESTATE LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2005

	Note	2005 £	2004 £
GROSS PROFIT		985,340	1,552,035
Administrative expenses		965,406	957,065
OPERATING PROFIT	2	19,934	594,970
Interest receivable and similar income	5	22,568	11,624
Interest payable	6	(136,062)	(124,995)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(93,560)	481,599
Tax on (loss)/profit on ordinary activities	7	20,630	42,100
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(114,190)	439,499
Property transactions	8	194,354	241,510
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(308,544)	197,989

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.

CASTLE HOWARD ESTATE LIMITED**ABBREVIATED BALANCE SHEET****31 JANUARY 2005**

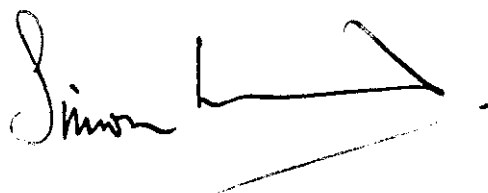
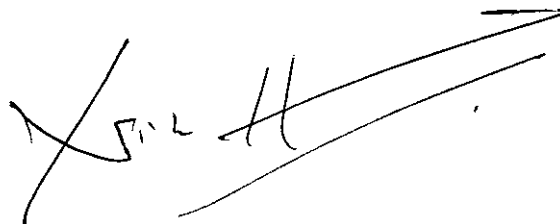
	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	9	1,069,248	906,891
CURRENT ASSETS			
Stocks	10	619,903	812,293
Debtors	11	284,863	475,202
Investments	12	3,036	2,840
Cash at bank and in hand		470,284	460,896
		<u>1,378,086</u>	<u>1,751,231</u>
CREDITORS: Amounts falling due within one year	13	<u>1,070,469</u>	<u>1,277,422</u>
NET CURRENT ASSETS		<u>307,617</u>	<u>473,809</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,376,865</u>	<u>1,380,700</u>
CREDITORS: Amounts falling due after more than one year	14	<u>2,288,081</u>	<u>1,983,372</u>
		<u>(911,216)</u>	<u>(602,672)</u>
CAPITAL AND RESERVES			
Called-up share capital	17	90,000	90,000
Share premium account		448,100	448,100
Profit and loss account	18	(1,449,316)	(1,140,772)
DEFICIENCY (including non-equity interests)	19	<u>(911,216)</u>	<u>(602,672)</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 29 June 2005 and are signed on their behalf by:

THE HON. S B G HOWARD

THE HON. N P G HOWARD

CASTLE HOWARD ESTATE LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 JANUARY 2005**

	Note	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	20	375,571	800,661
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	20	(106,562)	(111,604)
TAXATION	20	(51,845)	(65,437)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	20	(521,294)	(524,264)
CASH (OUTFLOW)/INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(304,130)	99,356
MANAGEMENT OF LIQUID RESOURCES			
Cash placed in other liquid investments		(196)	319
NET CASH (OUTFLOW)/INFLOW FROM MANAGEMENT OF LIQUID RESOURCES		(196)	319
FINANCING	20	349,209	139,608
INCREASE IN CASH	20	44,883	239,283

The notes on pages 10 to 20 form part of these abbreviated accounts.

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, subject to the departures referred to below.

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 fees received 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, costume gallery exhibits 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 2005

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 with 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.

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

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Depreciation of owned fixed assets	148,838	134,583
Depreciation of assets held under hire purchase and finance lease agreements	15,290	15,291
Loss/(Profit) on disposal of fixed assets	455	(3,245)
Auditors' remuneration		
- as auditors	<u>31,435</u>	<u>30,885</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

3. PARTICULARS OF EMPLOYEES

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

	2005	2004
	No	No
Average weekly number of full time employees (excluding directors)	101	81
Average weekly number of part time employees (excluding directors)	99	79
	<u>200</u>	<u>160</u>

The aggregate payroll costs of the above were:

	2005	2004
	£	£
Wages and salaries	1,787,814	1,797,484
Social security costs	146,489	155,988
Other pension costs	91,482	73,603
	<u>2,025,785</u>	<u>2,027,075</u>

4. DIRECTORS' EMOLUMENTS

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

	2005	2004
	£	£
Emoluments receivable	<u>150,000</u>	<u>150,000</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005	2004
	£	£
Bank interest receivable	20,915	10,189
Other similar income receivable	1,653	1,435
	<u>22,568</u>	<u>11,624</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Interest payable on bank borrowing	8,304	14,979
Loan interest payable	115,956	95,078
Finance charges	3,632	9,581
Interest on other loans	8,170	5,357
	<u>136,062</u>	<u>124,995</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2004 - 22%)	—	42,100
Over/under provision in prior year	20,630	—
Total current tax	<u>20,630</u>	<u>42,100</u>

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2004 - 22%).

	2005	2004
	£	£
(Loss)/profit on ordinary activities before taxation	<u>(93,560)</u>	<u>481,599</u>
Profit/(loss) on ordinary activities by rate of tax	(17,941)	105,952
Expenses not eligible for tax purposes	—	885
Capital allowances adjustment	—	(23,516)
ABA's	—	(2,350)
FII	—	(316)
Woods out of tax	—	18,489
None taxable gain	—	(57,044)
Prior year adjustment	20,630	—
Losses carry forward/back	17,941	—
Total current tax (note 7(a))	<u>20,630</u>	<u>42,100</u>

8. PROPERTY TRANSACTIONS

	2005	2004
	£	£
Sale of property	(435,822)	(9,500)
Improvements to property	630,176	251,010
	<u>194,354</u>	<u>241,510</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Plant under finance leases £	Exhibits £	Total £
COST					
At 1 February 2004	1	1,529,982	231,815	419,303	2,181,101
Additions	—	342,491	—	—	342,491
Disposals	—	(3,780)	(132,481)	(13,423)	(149,684)
At 31 January 2005	<u>1</u>	<u>1,868,693</u>	<u>99,334</u>	<u>405,880</u>	<u>2,373,908</u>
DEPRECIATION					
At 1 February 2004	—	1,077,711	196,499	—	1,274,210
Charge for the year	—	154,038	10,090	—	164,128
On disposals	—	(1,197)	(132,481)	—	(133,678)
At 31 January 2005	<u>—</u>	<u>1,230,552</u>	<u>74,108</u>	<u>—</u>	<u>1,304,660</u>
NET BOOK VALUE					
At 31 January 2005	<u>1</u>	<u>638,141</u>	<u>25,226</u>	<u>405,880</u>	<u>1,069,248</u>
At 31 January 2004	<u>1</u>	<u>452,271</u>	<u>35,316</u>	<u>419,303</u>	<u>906,891</u>

Hire purchase and finance lease agreements

Included within the net book value of £1,069,248 is £10,833 (2004 - £16,033) relating to assets held under hire purchase agreements, and £25,226 (2004 - £35,316) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £5,200 (2004 - £5,200), and £10,090 (2004 - £10,091) in respect of assets held under finance lease agreements.

10. STOCKS

	2005 £	2004 £
Materials and consumables	43,123	24,256
Farm livestock, produce, stores and workings in land	268,322	469,941
Goods for resale	308,458	318,096
	<u>619,903</u>	<u>812,293</u>

11. DEBTORS

	2005 £	2004 £
Trade debtors	91,237	299,506
Other debtors	55,263	51,249
Prepayments and accrued income	138,363	124,447
	<u>284,863</u>	<u>475,202</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

12. INVESTMENTS

	2005	2004
	£	£
Trade investments	<u>3,036</u>	<u>2,840</u>

13. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Bank loans and overdrafts	388,564	373,059
Trade creditors	282,759	367,187
Corporation tax	11,448	42,663
PAYE and social security	119,654	116,635
Hire purchase and finance lease agreements	11,390	17,890
Other creditors	77,154	80,216
Accruals and deferred income	179,500	279,772
	<u>1,070,469</u>	<u>1,277,422</u>

The bank overdraft is unsecured.

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

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

	2005	2004
	£	£
Bank loans and overdrafts	1,975,416	1,624,229
Hire purchase and finance lease agreements	15,136	26,526
Other creditors	64,488	105,332
Directors' loan accounts	233,041	227,285
	<u>2,288,081</u>	<u>1,983,372</u>

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

Loan at variable rate repayable by 4 Oct 2009	—	211,042
Loan at 7.51% repayable by 4 Oct 2009	—	221,210
Loan at variable rate repayable by 1 Feb 2010	36,462	43,679
Loan at 7.53% repayable by 1 Feb 2010	38,446	45,509
Loan at variable rate repayable by 31 Mar 2010	24,771	29,535
Loan at 7.30% repayable by 1 Mar 2010	25,571	31,263
Loan at 7.26% repayable by 2 May 2010	26,350	30,988
Loan at variable rate repayable by 1 Jun 2010	25,552	30,269
Loan at 6.70% repayable by 4 Jul 2021	60,269	62,269
Loan at variable rate repayable by 4 Jul 2021	46,711	48,409
Loan at variable rate repayable by 12 Apr 2021	11,572	12,003
Loan at variable rate repayable by 30 Jan 2012	173,865	196,019
Loan at 6.26% repayable by 30 Jan 2012	178,349	200,395
Loan at variable rate repayable by 21 May 2012	54,435	59,696
Loan at 6.34% repayable by 21 May 2012	55,481	62,680
Loan at variable rate repayable by 9 Sept 2013	311,224	339,263
Loan at variable rate repayable by 31 Aug 2014	275,514	—
Loan at 6.21% repayable by 7 Oct 2014	277,149	—
	<u>1,621,721</u>	<u>1,624,229</u>

15. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	2005	2004
	£	£
Amounts payable within 1 year	11,390	17,890
Amounts payable between 1 and 2 years	10,090	11,390
Amounts payable between 3 and 5 years	5,046	15,136
	<u>26,526</u>	<u>44,416</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

16. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2005 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2005	2004
	£	£
Operating leases which expire:		
Within 1 year	—	25,828
Within 2 to 5 years	33,031	38,285
	<u>33,031</u>	<u>64,113</u>

17. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
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:

	2005		2004	
	No	£	No	£
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>

18. PROFIT AND LOSS ACCOUNT

	2005	2004
	£	£
Balance brought forward	(1,140,772)	(1,338,761)
(Accumulated loss)/retained profit for the financial year	(308,544)	197,989
Balance carried forward	<u>(1,449,316)</u>	<u>(1,140,772)</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

EQUITY SHAREHOLDERS' FUNDS

	2005	2004
	£	£
(Loss)/Profit for the financial year	(308,544)	197,989
Opening shareholders' equity deficit	(682,672)	(880,661)
Closing shareholders' equity deficit	<u>(991,216)</u>	<u>(682,672)</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS *(continued)*

NON-EQUITY SHAREHOLDERS' FUNDS

Opening and closing shareholders' non-equity funds	<u>80,000</u>	<u>80,000</u>
TOTAL SHAREHOLDERS' DEFICIT	<u>(911,216)</u>	<u>(602,672)</u>

20. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
Operating profit	19,934	594,970
Depreciation	164,128	149,874
Loss/(Profit) on disposal of fixed assets	455	(3,245)
Decrease/(increase) in stocks	192,390	(93,873)
Decrease/(increase) in debtors	190,339	(84,130)
(Decrease)/increase in creditors	(191,675)	237,065
Net cash inflow from operating activities	<u>375,571</u>	<u>800,661</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2005	2004
	£	£
Interest received	22,568	11,624
Interest paid	(125,498)	(113,647)
Interest element of hire purchase and finance lease	(3,632)	(9,581)
Net cash outflow from returns on investments and servicing of finance	<u>(106,562)</u>	<u>(111,604)</u>

TAXATION

	2005	2004
	£	£
TAXATION	<u>(51,845)</u>	<u>(65,437)</u>

CAPITAL EXPENDITURE

	2005	2004
	£	£
Payments to acquire tangible fixed assets	(972,667)	(575,006)
Receipts from sale of fixed assets	451,373	50,742
Net cash outflow from capital expenditure	<u>(521,294)</u>	<u>(524,264)</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2005

20. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

FINANCING

	2005	2004
	£	£
New bank loans	600,000	372,350
Repayment of bank loans	(197,813)	(162,680)
Capital element of hire purchase and finance lease	(17,890)	(54,360)
Net outflow from other long-term creditors	(40,844)	(7,540)
Repayment of directors' long-term loans	5,756	(8,162)
Net cash inflow from financing	<u><u>349,209</u></u>	<u><u>139,608</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2005	2004
	£	£
Increase in cash in the period	44,883	239,283
Net cash (inflow) from bank loans	(402,187)	(209,670)
Cash outflow in respect of hire purchase and finance lease	17,890	54,360
Net cash outflow from other long-term creditors	40,844	7,540
Cash (inflow) from/outflow from directors' long-term loans	(5,756)	8,162
Cash used to increase/decrease liquid resources	<u>196</u>	<u>(319)</u>
	(304,130)	99,356
Change in net debt	(304,130)	99,356
Net debt at 1 February 2004	(1,910,585)	(2,009,941)
Net debt at 31 January 2005	<u><u>(2,214,715)</u></u>	<u><u>(1,910,585)</u></u>

CASTLE HOWARD ESTATE LIMITED
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20. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Feb 2004 £	Cash flows £	At 31 Jan 2005 £
Net cash:			
Cash in hand and at bank	460,896	9,388	470,284
Overdrafts	(181,559)	35,495	(146,064)
	<u>279,337</u>	<u>44,883</u>	<u>324,220</u>
Liquid resources:			
Current asset investments	<u>2,840</u>	<u>196</u>	<u>3,036</u>
Debt:			
Debt due within 1 year	(191,500)	(51,000)	(242,500)
Debt due after 1 year	(1,956,846)	(316,099)	(2,272,945)
Hire purchase and finance lease agreements	(44,416)	17,890	(26,526)
	<u>(2,192,762)</u>	<u>(349,209)</u>	<u>(2,541,971)</u>
Net debt	<u>(1,910,585)</u>	<u>(304,130)</u>	<u>(2,214,715)</u>

21. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the financial statements amounted to £Nil (2004 - £118,991).