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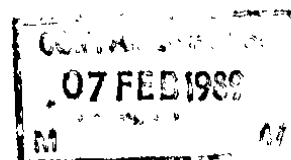
CASTLE HOWARD ESTATE LIMITED

REPORT AND ACCOUNTS

1988

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CASTLE HOWARD ESTATE LIMITEDDirectors

The Hon. S. B. G. Howard (Chairman)
The Hon. N. P. G. Howard
The Hon. A. M. G. Howard

Secretary

T. C. Adams

Auditors

Barron & Barron,
Chartered Accountants,
Bathurst House,
86 Micklegate,
York.
YOL 2HN.

Bankers

Coutts & Co.,
440 Strand,
London.

Solicitors

Bischoff & Co.,
London.

Denison Till,
York.

Registered Office

The Estate Office,
Castle Howard,
York.

CASTLE HOWARD ESTATE LIMITED
DIRECTORS' REPORT

The Directors submit their Report and Accounts for the year ended 5th April, 1988.

Results and Dividends

The loss on activities for the year amounted to £111,986 before expenditure on property of £192,146, leaving losses of £304,132 to be added to accumulated losses brought forward. Accumulated losses carried forward at 5th April, 1988 are £1,791,537. The Directors do not recommend the payment of a dividend.

Review of the Business

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

Market Value of Land and Buildings

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

Fixed Assets

The changes in Fixed Assets during the year are summarised in the Notes to the Accounts.

Directors and their Interests

The Directors who served during the year were:

The Hon. S. B. G. Howard (Chairman)
The Hon. N. P. G. Howard
The Hon. A. M. G. Howard

CASTLE HOWARD ESTATE LIMITED
DIRECTORS' REPORT CONTINUED

Directors and their Interests continued

Directors' interests in Shares of the Company:

At 5th April, 1987 and 5th April, 1988

	Ordinary Shares of £1 each	10% Non-Cumulative Preference Shares of £1 each
As Trustees -		
The Hon. N. P. G. Howard	10,000	
The Hon. S. B. G. Howard	10,000	
The Hon. A. M. G. Howard	10,000	
As Beneficiaries under a Settlement -		
The Hon. N. P. G. Howard		22,000
The Hon. S. B. G. Howard		30,000
The Hon. A. M. G. Howard		22,000

Auditors

A resolution to re-appoint Barron & Barron, Chartered Accountants, as Auditors will be put to the members at the Annual General Meeting.

Approval of Accounts

A resolution to approve the Accounts was passed at a meeting of the Directors held on 11th November 1988.

By Order of the Board

T. C. ADAMS

Secretary

11th November 1988

REPORT OF THE AUDITORS
TO THE MEMBERS OF CASTLE HOWARD ESTATE LIMITED

We have audited the Financial Statements on pages 5 to 12 inclusive in accordance with approved auditing standards.

In common with many businesses of similar size and organisation, the Company's system of control is dependent on the close involvement of the Directors. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

As stated in Note 8a. the cost or valuation of Land and Buildings has not been shown in the Balance Sheet in accordance with Schedule 9(5) Companies Act 1985. At this time it is not practical to determine with reasonable accuracy the cost or value of the properties retained.

Subject to the foregoing, in our opinion the Financial Statements, which have been prepared under the historical cost convention, give a true view of the state of the affairs of the Company as at 5th April, 1988 and of the loss and Source and Application of Funds of the Company for the year then ended and except for the valuation of Land and Buildings referred to above, comply with the Companies Act 1985.

11th November 1988

BARRON & BARRON

Chartered Accountants

CASTLE HOWARD ESTATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 5TH APRIL, 1988

	<u>Note</u>	<u>1988</u>	<u>1987</u>
<u>Turnover</u>	2	2,777,385	2,722,801
Cost of Sales		2,704,335	2,718,742
Gross Profit		73,050	4,059
Administrative Expenses		160,426	143,525
		(87,376)	(139,466)
Other Operating Income	3	18,868	40,791
Operating Loss		(68,508)	(98,675)
Interest Payable	5	43,478	111,562
Loss on Activities		(111,986)	(210,237)
Net Expenditure on Freehold Property	6	(192,146)	25,553
Loss for the Financial Year		(304,132)	(184,684)
Taxation	7	-	-
<u>Loss for the Financial Year after Taxation</u>		(304,132)	(184,684)
Accumulated Losses brought forward		(1,487,405)	(1,302,721)
<u>Accumulated Losses carried forward</u>		<u>£(1,791,537)</u>	<u>£(1,487,405)</u>

The Notes on pages 8 to 12 form part of these Accounts.

CASTLE HOWARD ESTATE LIMITED
BALANCE SHEET AS AT 5TH APRIL, 1988

	<u>Note</u>	<u>1988</u>	<u>1987</u>
<u>Fixed Assets</u>			
Tangible Assets	8		
Land and Buildings		1	1
Plant and Machinery		380,932	325,751
Exhibits		513,838	513,546
Cattle Herds		60,845	67,415
		<u>955,616</u>	<u>906,713</u>
Investments	9	9,590	1,751
		<u>965,206</u>	<u>908,464</u>
<u>Current Assets</u>			
Stocks	10	788,478	746,910
Debtors	11	397,951	429,194
Cash at Bank		30,037	259,487
Cash in Hand		13,096	3,253
		<u>1,229,562</u>	<u>1,438,844</u>
<u>Creditors Amounts falling due within one Year</u>	12	<u>660,069</u>	<u>512,697</u>
<u>Net Current Assets</u>		<u>569,493</u>	<u>926,147</u>
<u>Total Assets less Current Liabilities</u>		<u>1,534,699</u>	<u>1,834,611</u>
<u>Creditors Amounts falling due after more than one Year</u>			
Loans	13	2,788,136	2,783,916
		<u>£(1,253,437)</u>	<u>£ (949,305)</u>
<u>Capital and Reserves</u>			
Called Up Share Capital	14	90,000	90,000
Share Premium Account		448,100	448,100
Profit and Loss Account		(1,791,537)	(1,487,405)
		<u>£(1,253,437)</u>	<u>£ (949,305)</u>

N. P. G. HOWARD)
S. B. G. HOWARD) Directors

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The Notes on pages 8 to 12 form part of these Accounts.

CASTLE HOWARD ESTATE LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 5TH APRIL, 1988

<u>SOURCE OF FUNDS</u>	1988	1987
<u>Loss</u>	(111,986)	(210,23)
Adjustment for items not involved in the Movement of Funds		
Depreciation	154,736	176,44
(Profit) on Sale of Tangible Fixed Assets	(9,433)	(2,50)
	<u>33,317</u>	<u>(36,29)</u>
<u>Funds from Other Sources</u>		
Sales of Freehold Property and Grants	11,500	32,399
Sales of Other Tangible Fixed Assets	27,370	12,494
Exors. of Lord Howard	-	2,200,000
Increase in Loans	25,151	-
	<u>64,021</u>	<u>2,244,89</u>
<u>Total generated from Operations</u>	<u>97,338</u>	<u>2,208,59</u>
<u>APPLICATION OF FUNDS</u>		
Freehold Property Acquisitions, Alterations and Improvements less Grants	203,646	6,846
Purchases of Other Tangible Fixed Assets	221,576	125,896
Purchase of Trade Investments	7,839	721
Reduction in Loans	-	14,371
Repayment Agricultural Mortgage Corporation Loans	-	397,765
	<u>433,061</u>	<u>545,59</u>
<u>Increase/(Decrease) in Working Capital</u>	<u>£(335,723)</u>	<u>£1,663,00</u>
<u>Components of Increase/(Decrease) in Working Capital</u>		
Livestock and Growing Crops	100,287	(100,211)
Stocks	(58,719)	49,879
Debtors	13,156	96,234
Creditors	(168,095)	(59,390)
	<u>(113,371)</u>	<u>(13,4)</u>
<u>Movement in Liquid Funds</u>		
Cash	9,843	(889)
Bank Overdraft	(232,195)	1,677,377
	<u>(222,352)</u>	<u>1,676,4</u>
	<u>£(335,723)</u>	<u>£1,663,0</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ACCOUNTS AT 5TH APRIL 1988

1. Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention modified to include freehold property at nominal value of £1.00 and motor vehicles and plant and machinery on hand at 6th April 1981 at the written down value at that date.

Depreciation

No depreciation has been provided on freehold property, costume gallery exhibits, castle opening exhibits or cattle herds as in the opinion of the Directors this would not be significant in comparison with their residual values.

All other tangible fixed assets are depreciated to write off the cost or valuation evenly over their expected useful lives as follows:-

Motor vehicles	4 years
Plant and machinery	5 years
Other assets	20 years

Government Grants

Government grants on capital expenditure have been deducted from the cost of the relevant asset.

Grants of a revenue nature are credited to income in the period to which they relate.

Stocks

All stocks are stated at the lower of cost or net realisable value.

2. Turnover

Turnover represents the amount of fees received and goods and produce sold (stated net of value added tax). The turnover and pre-tax profit is attributable to the following activities.

	1988	1987	1988	1987
	<u>Turnover</u>		<u>Pre-tax profit (loss)</u>	
Cattle opening including filming and facility fees	1,211,808	972,697	(148,601)	(210,327)
Farm	1,206,362	1,478,485	142,380	136,610
Caravan site	86,916	33,145	46,772	9,041
Woodlands	86,724	121,335	28,380	55,430
Plant centre	185,575	117,139	4,119	13,305
	<u>£2,777,385</u>	<u>2,722,801</u>	<u>£ 73,050</u>	<u>£ 4,059</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ACCOUNTS AT 5TH APRIL 1988

<u>3. Other Operating Income</u>	<u>1988</u>	<u>1987</u>
Rental income less outgoings	£ 18,868	£ 40,791
<u>4. Operating Profit</u>		
a. This is stated after charging		
Directors remuneration		
(see below)	29,764	32,151
Auditors' remuneration	5,500	5,000
Depreciation	154,736	176,448
(Profit) on sale of		
fixed assets	(9,433)	(2,505)
Hire of plant and machinery	34,708	43,569
	<u> </u>	<u> </u>
b. Directors remuneration		
Fees	9,958	9,958
Other emoluments (including		
pension contributions)	19,806	22,193
	<u> </u>	<u> </u>
	£ 29,764	£ 32,151
	<u> </u>	<u> </u>

The emoluments of the Chairman and the highest paid Director, excluding pension contributions, was £14,847 (1987:£16,018). Other Directors emoluments, excluding pension contributions fell within the following ranges:

	<u>1988</u>	<u>1987</u>
£ Nil = £ 5,000	--	--
£ 5,001 = £10,000	2	2
£10,001 = £15,000	--	--
£15,001 = £20,000	--	--
£20,001 = £25,000	--	--

e. Staff costs during the year amounted to

Wages and salaries	989,249	912,935
Social Security costs	75,985	78,308
Other pension costs	37,014	35,041
	<u> </u>	<u> </u>
	£1,102,248	£1,026,284
	<u> </u>	<u> </u>

The average weekly number of employees, excluding Directors, retained by the company throughout the year was 220 (1987:221), including 113 (1987:116) part-time employees.

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ACCOUNTS AT 5TH APRIL 1988

	<u>1988</u>	<u>1987</u>
5. <u>Interest Payable</u>		
Bank overdraft	-	50,730
Other loans wholly repayable within five years	2,689	6,229
Other loans not wholly repayable within five years	40,444	54,603
Interest on overdue tax	345	-
	<u>£43,478</u>	<u>£111,562</u>

6. <u>Profits on Realisation of Freehold Property</u>	
Net proceeds on sales including compensation	11,500
Property improvements less grants	203,646
	<u>£(192,146)</u>

The capital gains arising on the disposal of freehold properties are expected to be covered by losses on operations.

7. <u>Taxation</u>		
Based on the result for the year:	<u>1988</u>	<u>1987</u>
Corporation Tax		

8. Tangible Fixed Assets

a. Land and Buildings

The freehold properties are stated at Nominal value £1.00 as in the opinion of the Directors, the value of freehold property is in excess of any liabilities that company has incurred. No depreciation has been provided.

	<u>1988</u>	<u>1987</u>
Freehold Property		
Improvements and acquisitions	203,646	6,846
less grants	11,500	32,399

	<u>Plant and Machinery</u>	<u>Exhibits</u>	<u>Cattle Herd</u>
b. <u>Cost or Valuation</u>			
At 6th April 1987	893,652	513,546	67,415
Additions	221,284	292	-
Disposals	(78,040)	-	(6,570)
At 5th April 1988	<u>1,038,896</u>	<u>513,838</u>	<u>60,845</u>
<u>Depreciation</u>			
At 6th April 1987	569,901	-	-
Provided during the year	154,736	-	-
Disposals	(66,673)	-	-
At 5th April 1988	<u>657,964</u>	<u>-</u>	<u>-</u>
Net Book Value at 5th April 1988	<u>380,932</u>	<u>513,838</u>	<u>60,845</u>
Net Book Value at 6th April 1987	<u>325,751</u>	<u>513,546</u>	<u>67,415</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ACCOUNTS AT 5TH APRIL 1988

	<u>1988</u>	<u>1987</u>
9. <u>Investments</u>		
These are unquoted investments as follows		
Northern Forestry Products Limited		
3 Ord. Shares of £10 each at	30	30
Grange Farm (Bulmer) Limited		
1000 'A' Ord. voting shares of		
£1 each at cost	1,000	1,000
The Company owns 100% of the issued 'A' Ord. voting shares		
Trade Investments	880	721
Castle Howard Apiary	7,680	-
	<u>£ 9,590</u>	<u>£ 1,751</u>
10. <u>Stocks</u>		
Materials and consumables	10,884	13,226
Goods for resale	299,070	355,447
Farm livestock, produce, stores and workings in land	478,524	378,237
	<u>£788,478</u>	<u>£746,910</u>
11. <u>Debtors</u>		
Trade debtors	199,706	148,579
Other debtors	90,824	143,155
Prepayments and accrued income	107,421	137,460
	<u>£397,951</u>	<u>£429,194</u>
12. <u>Creditors amounts falling due within one year</u>		
Bank overdraft	98,497	95,752
Current Corporation Tax	-	-
Other taxes and Social Security costs	25,344	28,136
Other creditors	442,640	281,819
Accruals	93,588	106,990
	<u>£660,069</u>	<u>£512,697</u>
The bank overdraft is unsecured		
13. <u>Loans</u>		
Wholly repayable within five years	2,361,908	2,375,826
Not wholly repayable within five years		
a. by instalments	313,468	318,798
b. otherwise	125,000	125,000
	<u>2,800,376</u>	<u>2,819,624</u>
Amounts due within one year included in current liabilities	12,240	35,708
	<u>£2,788,136</u>	<u>£2,783,916</u>
Instalments not due within five years	£271,448	£282,941
Included in the company loans wholly repayable within five years are Mortgage Loans of £4,078 (1987: £31,107)		

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ACCOUNTS AT 5TH APRIL 1988

13. Loans Cont'd.

Details of loans not wholly repayable within five years are as follows:

	<u>1988</u>	<u>1987</u>
a. By instalments		
Agricultural Mortgage Corporation plc		
Loan @ 4.50% repayable by 12th August 1994	12,085	13,653
Loan @ 8.25% repayable by 12th August 2008	170,827	173,952
Loan @ 9.50% repayable by 12th August 2012	114,943	116,112
Ryedale District Council		
28 Loans at rates of 7.25% to 15% repayable between 31.12.93 - 30.09.95 (1987:28)	15,613	15,081
	<u>£313,468</u>	<u>£318,798</u>
b. Otherwise		
Mortgage Loans		
Agricultural Mortgage Corporation		
Loan @ 9.5% repayable by 12th February 2012	119,000	119,000
Loan @ 9.50% repayable by 12th August 2012	6,000	6,000
	<u>£125,000</u>	<u>£125,000</u>

	1988	1987	1988	1987
14. <u>Share Capital</u>			Allotted, called up and fully paid	
	No.	No.		
Ordinary shares of £1 each	10,000	10,000	10,000	10,000
10% (now 7% plus tax credit) 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>

15. Pension Commitments

The company has a pension scheme for the benefit of the employees. The cost of the scheme is borne by the company and the employees are not required to make any contributions.