

CASTLE HOWARD ESTATE LIMITED

REPORT AND ACCOUNTS

5TH APRIL, 1985

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BARRON & BARRON
CHARTERED ACCOUNTANTS
YORK

CASTLE HOWARD ESTATE LIMITED

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CASTLE HOWARD ESTATE LIMITED

Directors

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

Secretary

S. M. Richardson

Auditors

Barron & Barron
Chartered Accountants
Bathurst House
86, Micklegate
York

Bankers

Coutts & Co.
440, Strand
London

Solicitors

Bischoff & Co.
London
Pearson and Ward
Malton

Registered Office

The Estate Office
Castle Howard
York

CASTLE HOWARD ESTATE LIMITEDDIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 5th April, 1985.

Results and Dividends

The loss on activities for the year amounted to £279,865 before profits on property realisations of £183,537 leaving losses £96,328 to be added to accumulated losses brought forward. Accumulated losses carried forward at 5th April, 1985 £761,446. 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:-

Lord Howard of Henderskelfe
The Hon. N.P.G. Howard
The Hon. S.B.G. Howard
The Hon. A.M.G. Howard
I.M. Duncan

Lord Howard was Chairman up to 27th November, 1984 when he died and The Hon. Simon Howard is now Chairman,

Directors' interests in shares of the company:-

At 5th April, 1984

	<u>Ordinary Shares</u> <u>Of £1 each</u>	<u>10% Non-cumulative</u> <u>Preference shares</u> <u>Of £1 each</u>
As Trustees -		
Lord Howard of Henderskelfe	5,001	
The Hon. N.P.G. Howard	4,999	
The Hon. S.B.G. Howard	4,999	
The Hon. A.M.G. Howard	4,999	
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

CASTLE HOWARD ESTATE LIMITEDDIRECTORS' REPORTDirectors and their Interests (Cont.)At 5th April, 1985

	<u>Ordinary Shares of £1 each</u>	<u>10% Non-cumulative Preference Shares of £1 each</u>
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.

By Order of the Board

SUSAN RICHARDSON

Secretary

11th April, 1986

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

We have audited the financial statements on pages 5 to 12 inclusive which have been prepared under the historical cost convention. Our audit was conducted 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 7a 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.

Because of the significance of the exclusion from the balance sheet of the cost or valuation of the Land and Buildings, in our opinion the financial statements do not give a true and fair view of the state of affairs of the company at 5th April, 1985 and of the loss for the year then ended.

In our opinion the financial statements give a true and fair view of the source and application of funds for the year ended 5th April, 1985 and except for matters set out above comply with the Companies Act 1985.


BARRON & BARRON

11th April, 1986

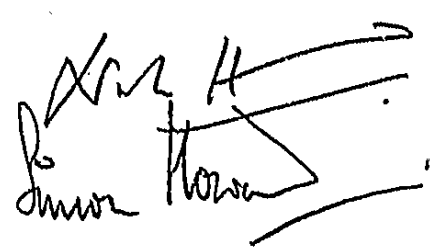
Chartered Accountants

CASTLE HOWARD ESTATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 5TH APRIL, 1985

5.

	<u>Notes</u>	<u>1985</u>	<u>1984</u>
<u>Turnover</u>	2	1,996,883	1,912,591
Cost of Sales		1,932,687	1,761,564
Gross Profit		64,196	151,027
Administrative expenses		143,822	125,134
		(79,626)	25,893
Other operating income	3	4,441	37,173
<u>Operating Loss (1984:Profit)</u>	4	(75,185)	63,066
Interest receivable		-	11
Interest payable	5	(204,680)	(207,346)
Loss on activities		(279,865)	(144,269)
Profits on realisation of Freehold Property	6	183,537	1,281,013
Loss for the financial year (1984:Profit)		(96,328)	1,136,744
Accumulated losses brought forward		(665,118)	(1,801,862)
Accumulated losses carried forward		£ (761,446)	£ (665,118)

CASTLE HOWARD ESTATE LIMITED
BALANCE SHEET AS AT 5TH APRIL, 1985

	<u>Notes</u>	<u>1985</u>	<u>1984</u>
<u>Fixed Assets</u>			
Tangible Assets	7		
Land and buildings		1	1
Plant and machinery		429,205	399,397
Exhibits		509,252	458,953
Cattle herds		72,530	71,732
		<u>1,010,988</u>	<u>930,083</u>
Investments	8	1,030	1,030
		<u>£1,012,018</u>	<u>£ 931,113</u>
<u>Current Assets</u>			
Stocks	9	728,507	823,668
Debtors	10	341,429	319,289
Cash in hand		4,250	4,901
		<u>1,074,186</u>	<u>1,147,858</u>
<u>Creditors</u> amounts falling due within one year	11	1,391,376	1,277,621
<u>Net Current Liabilities</u>		<u>£ 317,190</u>	<u>£ 129,763</u>
<u>Total Assets less Current Liabilities</u>		<u>694,828</u>	<u>801,350</u>
<u>Creditors</u> amounts falling due after more than one year			
Loans	12	918,174	928,368
		<u>£ (223,346)</u>	<u>£ (127,018)</u>
<u>Capital and Reserves</u>			
Called up share capital	13	90,000	90,000
Share Premium Account		448,100	448,100
Profit and loss account		(761,446)	(665,118)
		<u>£ (223,346)</u>	<u>£ (127,018)</u>
<p>N. P. G. HOWARD) S. B. G. HOWARD) Directors</p> 			
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, 1985

7.

<u>SOURCE OF FUNDS</u>	<u>1985</u>	<u>1984</u>
Loss on activities before taxation	(279,865)	(144,269)
Adjustment for items not involved in the Movement of Funds		
Depreciation	100,970	84,942
<u>Total Generated from Operations</u>	<u>(178,895)</u>	<u>(59,327)</u>
<u>Funds from Other Sources</u>		
Proceeds on disposal of tangible fixed assets	308,363	772,490
	129,468	713,163
<u>APPLICATION OF FUNDS</u>		
Purchase of tangible fixed assets	306,701	350,697
Current instalments due on loans	9,396	8,763
	316,097	359,460
<u>Working Capital Increase (Decrease)</u>	<u>£(186,629)</u>	<u>£353,703</u>
<u>Components of Increase (Decrease)</u>		
Stocks	(95,161)	31,385
Debtors	22,140	36,650
Creditors	26,266	24,186
	(46,755)	92,221
<u>Movement in Net Liquid Funds</u>		
Cash	(651)	889
Bank overdraft	(139,223)	260,593
	<u>£(186,629)</u>	<u>£353,703</u>

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.

All other tangible fixed assets are depreciated to write off the cost or valuation evenly over seven 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.

Taxation

No liability to tax has arisen.

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.

	1985 Turnover £	1984 £	1985 Pre-tax profit (loss) £	1984 £
Castle opening including filming and facility fees	508,793	524,454	(149,379)	(55,583)
Farm	1,302,002	1,237,105	178,328	67,099
Caravan site	41,695	36,802	20,025	18,304
Woodlands	57,741	44,904	5,791	(4,765)
Plant centre	86,652	69,326	9,431	(1,528)
	<u>£1,996,883</u>	<u>£1,912,591</u>	<u>£ 64,196</u>	<u>£ 23,527</u>

3. Other Operating Income

	1985 £	1984 £
Rental income less outgoings	4,441	37,173

4. Operating Profit

a. This is stated after charging

Directors' remuneration (see below)	53,811	41,012
Auditors' remuneration	4,500	4,000
Depreciation	100,970	84,942

b. Directors remuneration

Fees	42,307	32,501
Other emoluments (including pension contributions)	11,504	8,511
	<u>£ 53,811</u>	<u>£ 41,012</u>

The emoluments of the Chairman, excluding pension contributions were £7,349 (1984 £1,315) and of the highest paid Director excluding pension contributions £20,507 (1984 £15,704). Other Directors emoluments, excluding pension contributions fell within the following ranges:

	No.	No.
£ Nil - £ 5,000	1	2
£ 5,001 - £10,000	1	-
£10,001 - £15,000	-	1
£15,001 - £20,000	1	-

c. Staff costs during the year amounted to

Wages and salaries	675,382	613,391
Social Security Costs	69,883	67,915
Other pension costs	36,538	33,382
	<u>£781,803</u>	<u>£714,688</u>

The average weekly number of employees, excluding Directors, retained by the Company throughout the year was 135 (1984:130), including 27 (1984:19) part-time employees.

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ACCOUNTS AT 5TH APRIL, 1985

	<u>1985</u>	<u>1984</u>
5. <u>Interest Payable</u>		
Bank overdraft	111,640	113,487
Other loans wholly repayable within five years	7,219	7,313
Other loans not wholly repayable within five years	85,821	86,546
	<u>£204,680</u>	<u>£207,346</u>

6. <u>Profits on Realisation of Freehold Property</u>	
Net proceeds on Sales	269,612
Property improvements less grants	86,075
	<u>£183,537</u>

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

7. Tangible Fixed Assets

a. Land and Buildings

The freehold properties are stated at Nominal value £1.00. No depreciation has been provided.

	<u>1985</u>	<u>1984</u>
Freehold Property		
Improvements and acquisitions less grants	86,075	134,122
Sales	269,612	725,065
	<u>Plant and Machinery</u>	<u>Exhibits</u>
		<u>Cattle Herd</u>

b. Cost or Valuation

At 6th April, 1984	597,208	458,953	71,732
Additions	168,477	50,299	1,850
Disposals	(56,627)	-	(1,052)
At 5th April, 1985	<u>£709,058</u>	<u>£509,252</u>	<u>£72,530</u>

Depreciation

At 6th April, 1984	197,811		
Provided during the year	100,970		
Disposals	(18,928)		
At 5th April, 1985	<u>£279,853</u>		
Net Book Value at 5th April, 1985	<u>£429,205</u>	<u>£509,252</u>	<u>£72,530</u>
Net Book Value at 6th April, 1984	<u>£399,397</u>	<u>£458,953</u>	<u>£71,732</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ACCOUNTS

AT 5TH APRIL, 1985

	1985	1984
8. Investments		
These are unquoted investments as follows		
Northern Forestry Products Limited		
3 Ordinary shares of £10 each at cost	30	30
Grange Farm (Bulmer) Limited		
1000 'A' Ordinary voting shares of £1 each at cost	1,000	1,000
The Company owns 100% of the issued 'A' Ordinary voting shares		
	<u>£ 1,030</u>	<u>£ 1,030</u>
9. Stocks		
Materials and consumables	17,173	23,790
Goods for resale	227,728	217,199
Farm livestock, produce, stores and workings in land	483,606	582,679
	<u>£ 728,507</u>	<u>£ 823,668</u>
10. Debtors		
Trade debtors	132,330	138,967
Other debtors (note 15)	121,067	105,547
Prepayments and accrued income	87,982	74,775
	<u>£ 341,429</u>	<u>£ 319,289</u>
11. Creditors amounts falling due within one year		
Bank overdraft	1,113,287	974,064
Current Corporation Tax	2,045	2,052
Other taxes and Social Security costs	31,926	29,468
Other creditors	213,320	234,424
Accruals	30,798	37,613
	<u>£1,391,376</u>	<u>£1,277,621</u>
The bank overdraft is unsecured.		
12. Loans		
Wholly repayable within five years	71,467	72,740
Not wholly repayable within five years		
a. by instalments	529,970	538,093
b. otherwise	327,000	327,000
	<u>928,437</u>	<u>937,833</u>
Amounts due within one year included in current liabilities	10,263	9,465
	<u>£ 918,174</u>	<u>£ 928,368</u>
Instalments not due within five years	<u>£ 478,016</u>	<u>£ 490,384</u>
Included in the company loans wholly repayable within five years are Mortgage Loans of £29,199 (1984 £30,473).		

NOTES TO THE ACCOUNTSAT 5TH APRIL, 198512. Loans Cont.

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

a. By instalments	1985	1984
Agricultural Mortgage Corporation PLC		
Loan @ 4.50% repayable by 12th August, 1994	16,588	17,960
Loan @ 8.25% repayable by 12th August, 2008	179,494	181,945
Loan @ 9.50% repayable by 12th August, 2012	118,147	119,032
Loan based on variable interest repayable by 12th February, 2007	192,300	194,065
Ryedale District Council		
25 Loans at rates of 8.625% to 15% repayable between 31.12.90 - 30.09.95 (1984:31)	21,663	23,102
Lands Improvement Company		
Loan charge 9.75% repayable by March, 1991	1,779	1,989
	<u>£529,971</u>	<u>£538,093</u>
b. Otherwise		
Mortgage Loans		
Agricultural Mortgage Corporation Plc		
Loan @ 8.50% repayable by 12th February, 2012	119,000	119,000
Loan @ 9.50% repayable by 12th August, 2012	6,000	6,000
Loan based on variable interest repayable by 12th February, 2007	202,000	202,000
	<u>£327,000</u>	<u>£327,000</u>

13. Share Capital

	1985	1984	1985	1984
	Authorised		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>

14. 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.

The Company has a separate contributory pension scheme for one of the Directors.

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ACCOUNTS CONTINUED

15. Transactions with, and amounts due from, directors and connected persons

The following information is given in accordance with the provisions of Section 232 of the Companies Act 1985:-

- a. As a result of transactions in previous years on behalf of Lord Howard prior to 1976, sums became due from Lord Howard. The amount due at the beginning of the year was £16,811 and the amount due at the end of the year by the Executors of Lord Howard was £10,955.
- b. As a result of transactions in previous years on behalf of Ian Duncan, sums became due from Ian Duncan. The amount due at the beginning and end of the year was £7,000.
- c. As a result of sundry transactions in previous years Ballside Properties Limited, a company connected with The Hon. N.P.G. Howard and The Hon. S.B.G. Howard, was indebted to the Company at the beginning and end of the year in the sum of £743.
- d. As a result of sundry transactions during the course of the year and in respect of previous years, Messrs. J.H. Walford and A.G.R. Ormiston, as trustees of the Will of the late Lady Cecilia Howard, were indebted to the Company at the end of the year in the sum of £24,934. The maximum sum outstanding during the course of the year was £24,934.

The Trustees were connected with Lord Howard and are connected with The Hon. N.P.G. Howard, The Hon. S.B.G. Howard and The Hon. A.M.G. Howard.

- e. As a result of sundry transactions during the course of the year on behalf of The Hon. S.B.G. Howard sums became due by The Hon. S.B.G. Howard. The amount due at the end of the year was £7,025 and the maximum amount due at any time during the course of the year was £7,025.