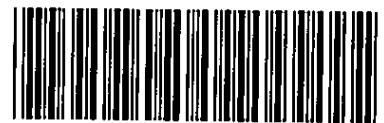


CASTLE HOWARD ESTATE LIMITED
ABBREVIATED ACCOUNTS
31 JANUARY 2007

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CASTLE HOWARD ESTATE LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

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CASTLE HOWARD ESTATE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	The Hon S B G Howard The Hon N P G Howard
Company secretary	Mr D N Peake
Registered office	The Estate Office Castle Howard York YO60 7DA
Auditor	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 *(continued)*

YEAR ENDED 31 JANUARY 2007

The directors present their report and the financial statements of the company for the year ended 31 January 2007

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 £143,293 before net receipts on property of £597,472, leaving a profit of £740,765 to be deducted from accumulated losses brought forward. Accumulated losses carried forward at 31st January 2007 are £955,388

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, after taxation, amounted to £740,765. 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 in office throughout the year and their beneficial and trustee interest in the share of the company were as follows

	Ordinary shares of £1 each		7.5% non-cumulative preference shares of £1 each	
	As at 31 January		As at 31 January	
	2007	2006	2007	2006
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			37,000	37,000
The Hon N P G Howard			37,000	37,000

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2007

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 Annual 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). The financial statements are required by law to 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 these 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 proper accounting records that 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 1985. 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.

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.

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2007

AUDITOR

A resolution to re-appoint Barron & Barron as auditor 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 26 June 2007

CASTLE HOWARD ESTATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO CASTLE HOWARD ESTATE LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 8 to 22, together with the financial statements of Castle Howard Estate Limited for the year ended 31 January 2007 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 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 audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

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 abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" 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 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

OTHER INFORMATION

On 26 June 2007 we reported, as auditor 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 2007, and the full text of the company audit report is reproduced on pages 6 to 7 of these financial statements.

Bathurst House
86 Micklegate
York
YO1 6LQ

26 June 2007



BARRON & BARRON
Chartered Accountants
& Registered Auditors

CASTLE HOWARD ESTATE LIMITED

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

YEAR ENDED 31 JANUARY 2007

We have audited the financial statements of Castle Howard Estate Limited for the year ended 31 January 2007 on pages 7 to 22 which have been prepared on the basis of the accounting policies set out on pages 10 to 12

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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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

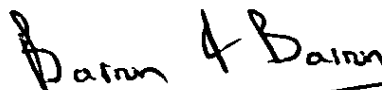
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CASTLE HOWARD ESTATE LIMITED *(continued)*

YEAR ENDED 31 JANUARY 2007

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 2007 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

26 June 2007

CASTLE HOWARD ESTATE LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2007

	Note	2007 £	2006 £
GROSS PROFIT		1,161,499	851,616
Administrative expenses		871,996	850,154
OPERATING PROFIT	2	289,503	1,462
Interest receivable and similar income	5	13,226	13,488
Interest payable	6	(122,090)	(141,172)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		180,639	(126,222)
Tax on profit/(loss) on ordinary activities	7	37,346	(34,464)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		143,293	(91,758)
Property transactions	8	(597,472)	155,079
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		740,765	(246,837)

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 22 form part of these abbreviated accounts.

CASTLE HOWARD ESTATE LIMITED

ABBREVIATED BALANCE SHEET

31 JANUARY 2007

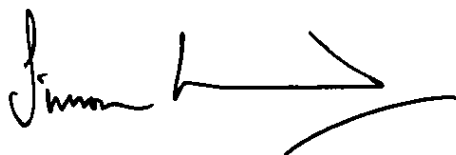
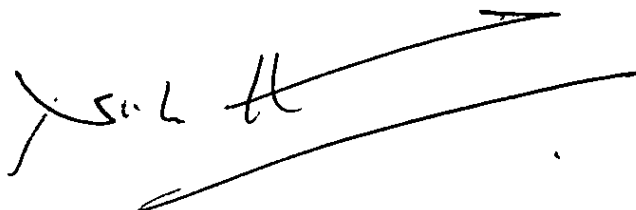
	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	9	875,739	997,392
CURRENT ASSETS			
Stocks	10	533,833	533,938
Debtors	11	679,438	412,792
Investments	12	3,375	3,178
Cash at bank and in hand		583,410	139,165
		<u>1,800,056</u>	<u>1,089,073</u>
CREDITORS: Amounts falling due within one year	13	<u>1,342,837</u>	<u>1,175,615</u>
NET CURRENT ASSETS/(LIABILITIES)		457,219	(86,542)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,332,958</u>	<u>910,850</u>
CREDITORS: Amounts falling due after more than one year	14	<u>1,750,246</u>	<u>2,068,903</u>
		<u>(417,288)</u>	<u>(1,158,053)</u>
CAPITAL AND RESERVES			
Called-up share capital	18	90,000	90,000
Share premium account	19	448,100	448,100
Profit and loss account	20	(955,388)	(1,696,153)
DEFICIT	21	<u>(417,288)</u>	<u>(1,158,053)</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 and authorised for issue on 26 June 2007, and are signed on their behalf by

THE HON S B G HOWARD

THE HON N P G HOWARD

The notes on pages 11 to 22 form part of these abbreviated accounts

CASTLE HOWARD ESTATE LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2007

	Note	2007 £	2006 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	22	360,246	221,331
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	(129,270)	(123,267)
TAXATION	22	—	23,016
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22	559,260	(284,511)
CASH INFLOW/(OUTFLOW) BEFORE USE OF LIQUID RESOURCES AND FINANCING		790,236	(163,431)
MANAGEMENT OF LIQUID RESOURCES Cash placed in other liquid investments		(197)	(142)
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES		(197)	(142)
FINANCING	22	(308,971)	(207,478)
INCREASE/(DECREASE) IN CASH	22	481,068	(371,051)

The notes on pages 11 to 22 form part of these abbreviated accounts.

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2007

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, 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 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 2007

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 2007

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

Operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation of owned fixed assets	187,899	199,810
Depreciation of assets held under hire purchase and finance lease agreements	10,830	10,090
Profit on disposal of fixed assets	(8,625)	(8,612)
Auditor's remuneration		
- as auditor	<u>32,250</u>	<u>27,923</u>

3. PARTICULARS OF EMPLOYEES

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

	2007	2006
	No	No
Average weekly number of full time employees (excluding directors)	79	77
Average weekly number of part time employees (excluding directors)	148	146
	<u>227</u>	<u>223</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	2,158,284	1,961,482
Social security costs	170,009	148,603
Other pension costs	70,289	63,264
	<u>2,398,582</u>	<u>2,173,349</u>

4. DIRECTORS' EMOLUMENTS

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

	2007	2006
	£	£
Emoluments receivable	<u>190,524</u>	<u>200,837</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2007

4. DIRECTORS' EMOLUMENTS *(continued)*

Emoluments of highest paid director:

	2007 £	2006 £
Total emoluments (excluding pension contributions)	<u>129,294</u>	<u>131,252</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Bank interest receivable	11,329	10,369
Other similar income receivable	1,897	3,119
	<u>13,226</u>	<u>13,488</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Interest payable on bank borrowing	7,076	10,476
Loan interest payable	108,992	123,301
Finance charges	2,902	2,978
Interest on other loans	3,120	4,417
	<u>122,090</u>	<u>141,172</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
UK Corporation tax based on the results for the year at 25% (2006 - 19%)	37,346	-
Over/under provision in prior year	-	(34,464)
Total current tax	<u>37,346</u>	<u>(34,464)</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

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 25% (2006 - 19%)

	2007 £	2006 £
Profit/(loss) on ordinary activities before taxation	180,639	(126,222)
Profit/(loss) on ordinary activities by rate of tax	45,160	(23,982)
Prior year adjustment	-	(34,464)
Losses carry forward/back	(7,814)	23,982
Total current tax (note 7(a))	37,346	(34,464)

8. PROPERTY TRANSACTIONS

	2007 £	2006 £
Sale of property	(637,756)	-
Improvements to property	10,045	155,079
Tax on sale of property	30,239	-
	(597,472)	155,079

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Plant under finance leases £	Exhibits £	Total £
COST					
At 1 February 2006	1	1,963,873	99,334	405,880	2,469,088
Additions	-	77,982	-	-	77,982
Disposals	-	(55,899)	(21,391)	-	(77,290)
At 31 January 2007	1	1,985,956	77,943	405,880	2,469,780
DEPRECIATION					
At 1 February 2006	-	1,387,498	84,198	-	1,471,696
Charge for the year	-	188,639	10,090	-	198,729
On disposals	-	(54,993)	(21,391)	-	(76,384)
At 31 January 2007	-	1,521,144	72,897	-	1,594,041
NET BOOK VALUE					
At 31 January 2007	1	464,812	5,046	405,880	875,739
At 31 January 2006	1	576,375	15,136	405,880	997,392

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2007

9. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase and finance lease agreements

Included within the net book value of £875,739 is £11,160 (2006 - £Nil) relating to assets held under hire purchase agreements, and £5,046 (2006 - £15,136) 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 £740 (2006 - £Nil), and £10,090 (2006 - £10,090) in respect of assets held under finance lease agreements.

10. STOCKS

	2007 £	2006 £
Materials and consumables	14,611	14,552
Farm livestock, produce, stores and workings in land	168,460	213,278
Goods for resale	350,762	306,108
	<u>533,833</u>	<u>533,938</u>

11. DEBTORS

	2007 £	2006 £
Trade debtors	147,919	95,868
Other debtors	6,644	10,007
Prepayments and accrued income	524,875	306,917
	<u>679,438</u>	<u>412,792</u>

12. INVESTMENTS

	2007 £	2006 £
Trade investments	<u>3,375</u>	<u>3,178</u>

13. CREDITORS: Amounts falling due within one year

	2007 £	2006 £
Bank loans and overdrafts	417,673	441,496
Trade creditors	337,240	340,621
Corporation tax	67,585	—
PAYE and social security	86,675	202,384
VAT	25,472	11,620
Hire purchase and finance lease agreements	6,776	10,090
Other creditors	86,500	91,057
Accruals and deferred income	314,916	78,347
	<u>1,342,837</u>	<u>1,175,615</u>

The bank overdraft is unsecured

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2007

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

	2007 £	2006 £
Bank loans and overdrafts	1,422,944	1,705,675
Hire purchase and finance lease agreements	9,179	5,046
Other creditors	26,697	86,995
Directors' loan accounts	291,426	271,187
	<u>1,750,246</u>	<u>2,068,903</u>

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

Loan at 6.70% repayable by 4 Jul 2021	55,809	58,108
Loan at variable rate repayable by 4 Jul 2021	42,860	44,804
Loan at variable rate repayable by 12 Apr 2021	10,596	11,088
Loan at 6.06% repayable by 30 Jan 2012	126,601	151,099
Loan at 6.26% repayable by 30 Jan 2012	128,926	153,847
Loan at variable rate repayable by 21 May 2012	39,644	46,692
Loan at 6.34% repayable by 21 May 2012	40,788	48,846
Loan at 6.06% repayable by 9 Sept 2013	244,626	276,809
Loan at 6.06% repayable by 31 Aug 2014	225,003	250,513
Loan at 6.21% repayable by 7 Oct 2014	226,455	253,043
	<u>1,141,308</u>	<u>1,294,849</u>

15. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

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

	2007 £	2006 £
Amounts payable within 1 year	6,776	10,090
Amounts payable between 1 and 2 years	1,914	5,046
Amounts payable between 3 and 5 years	7,265	-
	<u>15,955</u>	<u>15,136</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company holds or issues financial instruments in order to achieve three main objectives, being

(a) to finance its operations,

(b) to manage its exposure to interest risks arising from its operations and from its sources of finance, and

(c) for trading purposes

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below

Interest rate risk

The company takes out a mixture of fixed and variable rate loans as a means to manage interest rate risk

Credit risk

The company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments

17. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2007 the company had annual commitments under non-cancellable operating leases as set out below

	Assets Other Than Land & Buildings	
	2007	2006
	£	£
Operating leases which expire		
Within 1 year	3,084	6,159
Within 2 to 5 years	40,282	30,978
	<u>43,366</u>	<u>37,137</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2007

18. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
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:

	2007		2006	
	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>

19. SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

20. PROFIT AND LOSS ACCOUNT

	2007	2006
	£	£
Balance brought forward	(1,696,153)	(1,449,316)
Profit/(loss) for the financial year	740,765	(246,837)
Balance carried forward	<u>(955,388)</u>	<u>(1,696,153)</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2007

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit/(Loss) for the financial year	740,765	(246,837)
Opening shareholders' deficit	(1,158,053)	(911,216)
Closing shareholders' deficit	<u>(417,288)</u>	<u>(1,158,053)</u>

22. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit	289,503	1,462
Depreciation	198,729	209,900
Profit on disposal of fixed assets	(8,625)	(8,612)
Decrease in stocks	105	85,965
Increase in debtors	(266,646)	(127,929)
Increase in creditors	147,180	60,545
Net cash inflow from operating activities	<u>360,246</u>	<u>221,331</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2007 £	2006 £
Interest received	13,226	13,488
Interest paid	(139,594)	(133,777)
Interest element of hire purchase and finance lease	<u>(2,902)</u>	<u>(2,978)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(129,270)</u>	<u>(123,267)</u>

TAXATION

	2007 £	2006 £
Taxation	<u>-</u>	<u>23,016</u>

CAPITAL EXPENDITURE

	2007 £	2006 £
Payments to acquire tangible fixed assets	(88,027)	(306,915)
Receipts from sale of fixed assets	647,287	22,404
Net cash inflow/(outflow) from capital expenditure	<u>559,260</u>	<u>(284,511)</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2007

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

FINANCING

	2007 £	2006 £
Repayment of bank loans	(269,731)	(256,741)
Capital element of hire purchase and finance lease	819	(11,390)
Net (outflow)/inflow from other long-term creditors	(60,298)	22,507
Repayment of directors' long-term loans	20,239	38,146
Net cash outflow from financing	<u>(308,971)</u>	<u>(207,478)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007 £	2006 £
Increase/(decrease) in cash in the period	481,068	(371,051)
Net cash outflow from bank loans	269,731	256,741
Cash outflow in respect of hire purchase and finance lease	(819)	11,390
Net cash outflow from/(inflow) from other long-term creditors	60,298	(22,507)
Cash (inflow) from directors' long-term loans	(20,239)	(38,146)
Cash used to increase liquid resources	<u>197</u>	<u>142</u>
	790,236	(163,431)
Change in net debt	790,236	(163,431)
Net debt at 1 February 2006	(2,378,146)	(2,214,715)
Net debt at 31 January 2007	<u>(1,587,910)</u>	<u>(2,378,146)</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2007

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

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Feb 2006 £	Cash flows £	At 31 Jan 2007 £
Net cash			
Cash in hand and at bank	139,165	444,245	583,410
Overdrafts	(185,996)	36,823	(149,173)
	<u>(46,831)</u>	<u>481,068</u>	<u>434,237</u>
Liquid resources			
Current asset investments	<u>3,178</u>	<u>197</u>	<u>3,375</u>
Debt			
Debt due within 1 year	(255,500)	(13,000)	(268,500)
Debt due after 1 year	(2,063,857)	322,790	(1,741,067)
Hire purchase and finance lease agreements	(15,136)	(819)	(15,955)
	<u>(2,334,493)</u>	<u>308,971</u>	<u>(2,025,522)</u>
Net debt	<u>(2,378,146)</u>	<u>790,236</u>	<u>(1,587,910)</u>