

COMPANY REGISTRATION NUMBER 480214

CASTLE HOWARD ESTATE LIMITED
ABBREVIATED ACCOUNTS
31 JANUARY 2011

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CASTLE HOWARD ESTATE LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

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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 H A Rayment
Registered office	The Estate Office Castle Howard York YO60 7DA
Auditor	Barron & Barron Chartered Accountants & Statutory Auditor Bathurst House 86 Micklegate York YO1 6LQ
Bankers	Coutts & Co 8 Park Square East Leeds LS1 2LH
Solicitors	Forsters LLP 31 Hill Street London W1J 5LS Denison Till Stamford House Piccadilly York YO1 1PP

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2011

The directors present their report and the financial statements of the company for the year ended 31 January 2011

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 £578,883 before net receipts on property of £398,637, leaving a loss of £180,246 to be added to accumulated losses brought forward. Accumulated losses carried forward at 31st January 2011 are £988,687

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 loss for the year amounted to £180,246. The directors have not recommended a dividend

FINANCIAL INSTRUMENTS

Details of the company's financial risk management objectives and policies are included in note 16 to the accounts

DIRECTORS

The directors who served the company during the year were as follows

The Hon S B G Howard

The Hon N P G Howard

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2011

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	
	2011	2010	2011	2010
As Trustees -				
The Hon S B G Howard)				
The Hon N P G Howard)		10,000		
As Beneficiaries under a Settlement -				
The Hon S B G Howard			40,000	37,000
The Hon N P G Howard			40,000	37,000

FIXED ASSETS

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

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CASTLE HOWARD ESTATE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JANUARY 2011

In so far as the directors are aware

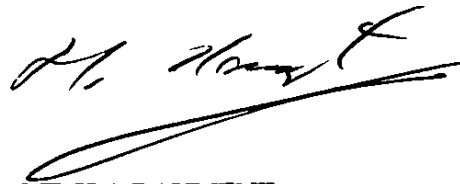
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

Barron & Barron are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
The Estate Office
Castle Howard
York
YO60 7DA

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'H. A. Rayment', with a long, sweeping horizontal stroke underneath.

MR H A RAYMENT
Company Secretary

Approved by the directors on 6 May 2011

CASTLE HOWARD ESTATE LIMITED

INDEPENDENT AUDITOR'S REPORT TO CASTLE HOWARD ESTATE LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts, together with the financial statements of Castle Howard Estate Limited for the year ended 31 January 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

BASIS OF OPINION

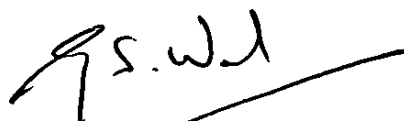
We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

OTHER INFORMATION

On 6 May 2011 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 396 of the Companies Act 2006 for the year ended 31 January 2011, and the full text of the company audit report is reproduced on pages 6 to 7 of these financial statements.



GUY WARD FCA (Senior Statutory Auditor)

For and on behalf of
BARRON & BARRON
Chartered Accountants
& Statutory Auditor

Bathurst House
86 Micklegate
York
YO1 6LQ

6 May 2011

CASTLE HOWARD ESTATE LIMITED

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

YEAR ENDED 31 JANUARY 2011

We have audited the financial statements of Castle Howard Estate Limited for the year ended 31 January 2011. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

QUALIFIED OPINION

QUALIFIED OPINION FROM DISAGREEMENT ABOUT ACCOUNTING TREATMENT

The company owns various freehold land and buildings, which have been included at a nominal value of £1, with sales and purchases included in the Profit and Loss Account. The company also owns various exhibits which are included at cost. Both the above do not comply with the requirements of the Companies Act 2006 and FRS 15 in relation to the reflection of fixed assets at a fair value. In our opinion these assets are worth substantially more than the accounts value but without a professional valuation it is not possible to quantify the exact values. It should be noted that no depreciation has been provided on the above assets in accordance with FRS 15. The financial statements do not include an explanation for this departure from applicable accounting standards as required by the Companies Act 2006.

Except for the failure to account for the fair value of fixed assets and related depreciation in accordance with FRS 15, in our opinion the financial statements

give a true and fair view of the state of the company's affairs as at 31st January 2011 and of its loss for the period then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

and have been prepared in accordance with the requirements of the Companies Act 2006.

CASTLE HOWARD ESTATE LIMITED

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

YEAR ENDED 31 JANUARY 2011

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

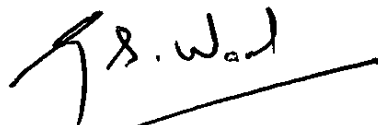
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit



GUY WARD FCA (Senior Statutory Auditor)

For and on behalf of
BARRON & BARRON
Chartered Accountants
& Statutory Auditor

Bathurst House
86 Micklegate
York
YO1 6LQ

6 May 2011

CASTLE HOWARD ESTATE LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 2011

	Note	2011 £	2010 £
TURNOVER		6,378,668	6,745,689
Cost of Sales and Other operating income		6,081,718	5,853,890
Administrative expenses		818,749	816,028
OPERATING (LOSS)/PROFIT	2	(521,799)	75,771
Interest receivable and similar income	5	3,012	3,289
Interest payable and similar charges	6	(60,096)	(62,363)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(578,883)	16,697
Tax on (loss)/profit on ordinary activities	7	—	—
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(578,883)	16,697
Property transactions	8	(398,637)	11,920
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>£(180,246)</u>	<u>£4,777</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the
year as set out above

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

CASTLE HOWARD ESTATE LIMITED

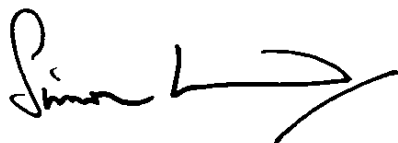
ABBREVIATED BALANCE SHEET

31 JANUARY 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Tangible assets	9	894,016	946,111
CURRENT ASSETS			
Stocks	10	1,012,811	749,265
Debtors	11	271,016	255,475
Investments	12	6,644	5,411
Cash at bank and in hand		157,660	112,194
		<u>1,448,131</u>	<u>1,122,345</u>
CREDITORS: Amounts falling due within one year	13	<u>1,367,804</u>	<u>899,094</u>
NET CURRENT ASSETS		80,327	223,251
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>974,343</u>	<u>1,169,362</u>
CREDITORS: Amounts falling due after more than one year	14	<u>1,424,930</u>	<u>1,439,703</u>
		<u>£(450,587)</u>	<u>£(270,341)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	90,000	90,000
Share premium account	19	448,100	448,100
Profit and loss account	20	(988,687)	(808,441)
DEFICIT	21	<u>£(450,587)</u>	<u>£(270,341)</u>

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under section 445(3) of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 6 May 2011, and are signed on their behalf by



THE HON S B G HOWARD



THE HON N P G HOWARD

Company Registration Number 480214

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

CASTLE HOWARD ESTATE LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 JANUARY 2011

	Note	2011 £	2010 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	22	(144,419)	271,169
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	(57,084)	(59,074)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22	272,476	(209,676)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		70,973	2,419
MANAGEMENT OF LIQUID RESOURCES Cash placed in other liquid investments		(1,233)	(737)
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES		(1,233)	(737)
FINANCING	22	(1,760)	(3,114)
INCREASE/(DECREASE) IN CASH	22	£67,980	£(1,432)

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

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

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

The Balance Sheet shows a deficit of £450,587 but as the freehold property has been included at a nominal value of £1 the directors consider that it is appropriate to prepare the financial statements on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future because 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

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

1. ACCOUNTING POLICIES *(continued)*

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.

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.

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2011

1. ACCOUNTING POLICIES *(continued)*

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.

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 (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting)

	2011	2010
	£	£
Depreciation of owned fixed assets	161,958	204,526
Depreciation of assets held under hire purchase agreements	18,372	26,350
Profit on disposal of fixed assets	(2,074)	(5,719)
Auditor's remuneration		
- as auditor	34,435	33,055
Operating lease costs		
- Plant and equipment	<u>23,669</u>	<u>25,020</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2011

3. PARTICULARS OF EMPLOYEES

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

	2011	2010
	No	No
Average weekly number of full time employees (excluding directors)	60	66
Average weekly number of part time employees (excluding directors)	149	139
	<u>209</u>	<u>205</u>

The aggregate payroll costs of the above were.

	2011	2010
	£	£
Wages and salaries	2,384,967	2,403,182
Social security costs	181,764	186,447
Other pension costs	67,964	69,584
	<u>2,634,695</u>	<u>2,659,213</u>

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Remuneration receivable	<u>171,726</u>	<u>169,827</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£	£
Bank interest receivable	1,233	1,599
Other similar income receivable	1,779	1,690
	<u>3,012</u>	<u>3,289</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on bank borrowing	11,283	1,703
Loan interest payable	47,141	57,623
Finance charges	1,672	3,037
	<u>60,096</u>	<u>62,363</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

7. TAXATION ON ORDINARY ACTIVITIES

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 21% (2010 - 21%)

	2011 £	2010 £
(Loss)/profit on ordinary activities before taxation	(578,883)	16,697
(Loss)/profit on ordinary activities by rate of tax	(121,565)	3,506
Adjustments re capital allowances, woods, losses etc	-	(3,506)
Losses carry forward/back	121,565	-
Total current tax	-	-

8. PROPERTY TRANSACTIONS

	2011 £	2010 £
Sale of property	(671,221)	-
Purchase of property	272,584	11,920
	(398,637)	11,920

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Plant under finance leases £	Exhibits £	Total £
COST					
At 1 February 2010	1	2,638,792	77,943	405,880	3,122,616
Additions	-	130,708	-	-	130,708
Disposals	-	(348,055)	(64,292)	-	(412,347)
At 31 January 2011	1	2,421,445	13,651	405,880	2,840,977
DEPRECIATION					
At 1 February 2010	-	2,098,562	77,943	-	2,176,505
Charge for the year	-	180,330	-	-	180,330
On disposals	-	(345,582)	(64,292)	-	(409,874)
At 31 January 2011	-	1,933,310	13,651	-	1,946,961
NET BOOK VALUE					
At 31 January 2011	1	488,135	-	405,880	894,016
At 31 January 2010	1	540,230	-	405,880	946,111

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

9. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £894,016 is £55,454 (2010 - £85,218) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £18,372 (2010 - £26,350).

10. STOCKS

	2011 £	2010 £
Materials and consumables	37,281	41,254
Farm livestock, produce, stores and workings in land	596,030	351,660
Goods for resale	379,500	356,351
	<u>1,012,811</u>	<u>749,265</u>

11. DEBTORS

	2011 £	2010 £
Trade debtors	70,330	59,911
VAT recoverable	3,312	—
Other debtors	36,901	7,867
Prepayments and accrued income	160,473	187,697
	<u>271,016</u>	<u>255,475</u>

12. INVESTMENTS

	2011 £	2010 £
Trade investments	<u>6,644</u>	<u>5,411</u>

13. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	302,966	301,773
Trade creditors	411,404	232,580
PAYE and social security	41,044	37,513
VAT	—	20,619
Hire purchase agreements	24,556	39,692
Other creditors	71,205	66,583
Accruals and deferred income	516,629	200,334
	<u>1,367,804</u>	<u>899,094</u>

The bank overdraft is unsecured

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2011

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

	2011 £	2010 £
Bank loans	997,338	1,007,018
Hire purchase agreements	9,149	20,845
Directors' loan accounts	418,443	411,840
	<u>1,424,930</u>	<u>1,439,703</u>

The bank loans with The Agricultural Mortgage Corporation PLC are secured on land owned by the company

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

Loan at 6 70% repayable by 4 Jul 2021	44,219	47,434
Loan at variable rate repayable by 4 Jul 2021	31,548	34,614
Loan at variable rate repayable by 12 Apr 2021	7,691	8,439
	<u>83,458</u>	<u>90,487</u>

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows

	2011 £	2010 £
Amounts payable within 1 year	24,556	39,692
Amounts payable between 1 and 2 years	7,717	18,855
Amounts payable between 3 and 5 years	1,432	1,990
	<u>33,705</u>	<u>60,537</u>

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

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(continued)

Interest rate risk

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

Credit risk

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

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

17. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within 1 year	20,061	15,424
Within 2 to 5 years	43,522	12,581
	<u>63,583</u>	<u>28,005</u>

18. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£	£
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:

	2011		2010	
	No	£	No	£
10,000 Ordinary shares of £1 each	10,000	10,000	10,000	10,000
80,000 7.5% non-cumulative preference shares of £1 each	80,000	80,000	80,000	80,000
	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

19. SHARE PREMIUM ACCOUNT

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

20. PROFIT AND LOSS ACCOUNT

	2011 £	2010 £
Balance brought forward	(808,441)	(813,218)
(Loss)/profit for the financial year	(180,246)	4,777
Balance carried forward	<u>(988,687)</u>	<u>(808,441)</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
(Loss)/Profit for the financial year	(180,246)	4,777
Opening shareholders' deficit	(270,341)	(275,118)
Closing shareholders' deficit	<u>(450,587)</u>	<u>(270,341)</u>

22. NOTES TO THE CASH FLOW STATEMENT

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

	2011 £	2010 £
Operating (loss)/profit	(521,799)	75,771
Depreciation	180,330	230,876
Profit on disposal of fixed assets	(2,074)	(5,719)
(Increase)/decrease in stocks	(263,546)	122,026
Increase in debtors	(19,983)	(27,427)
Increase/(decrease) in creditors	482,653	(124,358)
Net cash (outflow)/inflow from operating activities	<u>£(144,419)</u>	<u>£271,169</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011 £	2010 £
Interest received	3,012	3,289
Interest paid	(58,424)	(59,326)
Interest element of hire purchase	<u>(1,672)</u>	<u>(3,037)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(57,084)</u>	<u>(59,074)</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 JANUARY 2011

22. NOTES TO THE CASH FLOW STATEMENT *(continued)*

CAPITAL EXPENDITURE

	2011 £	2010 £
Payments to acquire tangible fixed assets	(403,292)	(215,397)
Receipts from sale of fixed assets	675,768	5,721
Net cash inflow/(outflow) from capital expenditure	<u>272,476</u>	<u>(209,676)</u>

FINANCING

	2011 £	2010 £
Increase in/(repayment of) bank loans	14,027	(49,995)
Capital element of hire purchase	(26,832)	(9,190)
Net inflow from other long-term creditors	4,442	14,391
Repayment of directors' long-term loans	6,603	41,680
Net cash outflow from financing	<u>(1,760)</u>	<u>(3,114)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £	2010 £
Increase/(decrease) in cash in the period	67,980	(1,432)
Net cash (inflow) from/outflow from bank loans	(14,027)	49,995
Cash outflow in respect of hire purchase	26,832	9,190
Net cash (inflow) from other long-term creditors	(4,442)	(14,391)
Cash (inflow) from directors' long-term loans	(6,603)	(41,680)
Cash used to increase liquid resources	<u>1,233</u>	<u>737</u>
	70,973	2,419
Change in net debt	70,973	2,419
Net debt at 1 February 2010	(1,659,121)	(1,661,540)
Net debt at 31 January 2011	<u>£(1,588,148)</u>	<u>£(1,659,121)</u>

CASTLE HOWARD ESTATE LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 JANUARY 2011

22. NOTES TO THE CASH FLOW STATEMENT (continued)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Feb 2010 £	Cash flows £	At 31 Jan 2011 £
Net cash			
Cash in hand and at bank	112,194	45,466	157,660
Overdrafts	(91,286)	22,514	(68,772)
	<u>20,908</u>	<u>67,980</u>	<u>88,888</u>
Liquid resources			
Current asset investments	5,411	1,233	6,644
Debt			
Debt due within 1 year	(210,487)	(23,707)	(234,194)
Debt due after 1 year	(1,414,416)	(1,365)	(1,415,781)
Hire purchase agreements	(60,537)	26,832	(33,705)
	<u>(1,685,440)</u>	<u>1,760</u>	<u>(1,683,680)</u>
Net debt	<u>£(1,659,121)</u>	<u>£70,973</u>	<u>£(1,588,148)</u>