

Company Registration No. 00480214 (England and Wales)

CASTLE HOWARD ESTATE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2020

CASTLE HOWARD ESTATE LIMITED

COMPANY INFORMATION

Directors	The Hon. N P G Howard Mr G F G Howard Mrs V Barnsley Mr R Sebag-Montefiore	(Appointed 17 August 2020)
Secretary	Mr A Nixon	
Company number	00480214	
Registered office	The Estate Office Castle Howard York YO60 7DA	
Auditor	BHP LLP Rievaulx House 1 St Mary's Court Blossom Street York North Yorkshire YO24 1AH	
Bankers	Coutts & Co 2 Whitehall Quay Leeds LS1 4HR	
Solicitors	Forsters LLP 31 Hill Street London W1J 5LS Lupton Fawcett Stamford House Piccadilly York YO1 1PP	

CASTLE HOWARD ESTATE LIMITED

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CASTLE HOWARD ESTATE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

The directors present the strategic report for the year ended 31 January 2020.

Review of the business

Castle Howard is one of Britain's finest stately homes and has been home to the Howard family for more than 300 years. The Castle Howard Estate, featuring over 200 listed buildings and monuments, is approximately 8,800 acres, comprising of farmland, woodland and parkland.

The objective of the company, Castle Howard Estate Ltd, which was incorporated in 1950, is to conserve and restore Castle Howard for the benefit of future generations. The company therefore carries out a diverse range of business activities associated with being a heritage destination and with land ownership.

Since incorporation millions of pounds have been committed to the conservation and essential repairs of Castle Howard's landscape, buildings and monuments. Income generated through tourism and estate businesses is supplemented where possible by grants from organisations such as Historic England and Natural England.

The business is carried out for profit but aims to invest any free cashflow in essential repairs, conservation and restoration. The loss on ordinary activities for the year amounted to £2,110,800 (2019: £120,595 profit), this includes £1,424,812 of downwards property revaluation (2019: downwards £253,586) on the company's investment property portfolio. Accumulated gains in the profit and loss reserves carried forward at 31st January 2020 are £21,602,401 (2019: £21,393,816).

Turnover saw an increase of 11.8% in the year. Total visitors to the house and grounds were 274,593 (PY 228,028) up by 20.4% and almost all of the company's trading departments were up on both the budget and PY in terms of revenue and profit. The launch of the new Skelf Island Adventure Playground in July has seen significant growth in visitors to the grounds, visits by members and in new membership applications. During the year the business also hosted a major celebrity wedding, BBC Studios' first northern Countryfile Live event and received additional income through filming for a period drama. This positive trading performance was capped off with a strong Christmas which attracted 67,477 visitors (PY 51,592).

The company's profit and loss account reflects the company's strategy to address where possible the conservation costs and carry out repairs.

Investigating opportunities for redevelopment of redundant building stock and opportunities in the leisure and tourism sector remains a priority.

CASTLE HOWARD ESTATE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

Principal risks and uncertainties

With the government imposed restrictions and the loss of both the groups market and the international market in early 2020, the COVID 19 pandemic means the business is facing challenges it has never had to face before. It is therefore not unreasonable to forecast that the impact is expected to be significant. However in order to try and mitigate this impact as much as possible, the business has undergone a significant restructuring in order to both reduce ongoing operational and overhead costs and to improve staffing flexibility throughout the seasons.

The implications of Brexit on visitor numbers are still not yet fully understood. However, there are likely implications to future grant funding schemes and on recruitment of seasonal staff. Brexit could though provide an opportunity to the estate with more domestic holidays ('stay-cations') and with a shift in UK consumer demand for locally sourced and made produce.

In any one year the weather and timings of national holidays has an impact on the business, but with a diverse portfolio of income streams, it is expected that this impact, together with the averaging out of the weather conditions, can be managed over the longer term.

The Company is financed by cash flow and by variable and fixed rate term debt. Interest rate exposure is considered to be low, so no hedging is undertaken.

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

- a. to finance its operations;
- b. to fund essential maintenance and conservation work; and
- c. for trading purposes.

The company monitors credit risk closely and considers that its current policies of credit checks meets its obligations of managing exposure to credit risk. The company has no significant concentrations of credit risk. Amounts shown in the ~~Balance Sheet and represent the~~ maximum credit risk exposure in the event other parties fail to perform their obligations. Looking into the 2020/21 year, the original trading budget indicated a 2% increase in turnover driven by increased visitors to the House and Gardens. However due to the COVID 19 Pandemic monitoring performance now against this budget has become largely irrelevant.

Through 2020 a key initiative will be to significantly restructure the organisation and to grow and develop the current volunteer teams. The business will also continue to take advantage all applicable Coronavirus Grants, Reliefs and Loans, including the Job Retention Scheme. The business has also been awarded significant funding from the Government's £1.57 billion Culture Recovery Fund.

The focus of the business in 2020 will be to look at ways to further diversify the business's income streams, to exploit opportunities such as wild camping, glamping, lodges and the touring market as well as other opportunities through the digital space in terms of both content and delivery.

Despite the challenging environment, it is evident that areas such as Memberships, Grounds Visitors, Adventure Playground Visitors, Garden Centre and Farm Shop will perform strongly through 2020

The directors have secured appropriate funding to fulfill forecast expenditure for the coming year.

Key performance indicators

The Company does not have any specific key performance indicators, other than those that can be calculated from the financial statements.

CASTLE HOWARD ESTATE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

On behalf of the board

The Hon. N P G Howard

Director

8 January 2021

CASTLE HOWARD ESTATE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

The directors present their annual report and financial statements for the year ended 31 January 2020.

Principal activities

The principal activity of the company is that of an Estate Company carrying on activities relating to land ownership.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

The Hon. N P G Howard

Mr G F G Howard

The Hon. P C W Howard

(Resigned 3 August 2020)

Mrs V Barnsley

Mr R Sebag-Montefiore

(Appointed 17 August 2020)

Results and dividends

The results for the year are set out on page 9.

The loss for the year, after taxation, amounted to £2,110,800. The directors have not recommended a dividend.

No preference dividends were paid.

Future developments

The company continues to explore new and existing business opportunities to enable it to continue to maintain the historic buildings and landscape of the Castle Howard Estate.

Auditor

The auditor, BHP LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

The Hon. N P G Howard

Director

8 January 2021

CASTLE HOWARD ESTATE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2020

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). 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CASTLE HOWARD ESTATE LIMITED

Opinion

We have audited the financial statements of Castle Howard Estate Limited (the 'company') for the year ended 31 January 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

CASTLE HOWARD ESTATE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CASTLE HOWARD ESTATE LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CASTLE HOWARD ESTATE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CASTLE HOWARD ESTATE LIMITED

Use of our report

This report is made solely to the company's members, 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 members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Sowden (Senior Statutory Auditor)
for and on behalf of BHP LLP

8 January 2021

Chartered Accountants
Statutory Auditor

Rievaulx House
1 St Mary's Court
Blossom Street
York
North Yorkshire
YO24 1AH

CASTLE HOWARD ESTATE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	2019 £
Turnover	3	10,594,316	9,474,649
Cost of sales		(8,728,841)	(8,123,983)
Gross profit		1,865,475	1,350,666
Administrative expenses		(1,881,754)	(1,720,531)
Profit/(loss) on disposal of fixed assets		27,885	6,345
Operating profit/(loss)	4	11,606	(363,520)
Interest receivable and similar income	7	815	1,018
Interest payable and similar expenses	8	(222,092)	(210,600)
Amounts written off investments	9	(1,424,812)	(253,586)
Loss before taxation		(1,634,483)	(826,688)
Tax on loss	10	(476,317)	947,283
(Loss)/profit for the financial year		(2,110,800)	120,595

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CASTLE HOWARD ESTATE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JANUARY 2020

	2020	2019
	£	£
(Loss)/profit for the year	(2,110,800)	120,595
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(2,110,800)</u>	<u>120,595</u>

CASTLE HOWARD ESTATE LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	11	84,552		-	
Tangible assets	12	25,541,275		25,054,615	
Heritage assets	12	483,903		434,580	
Investment properties	13	48,984,456		50,835,122	
			75,094,186		76,324,317
Current assets					
Stocks	14	1,262,354		1,099,728	
Debtors	15	1,220,838		847,026	
Investments	16	14,697		13,882	
Cash at bank and in hand		1,106,214		1,334,780	
			3,604,103		3,295,416
Creditors: amounts falling due within one year	17	(1,639,616)		(1,422,313)	
Net current assets			1,964,487		1,873,103
Total assets less current liabilities			77,058,673		78,197,420
Creditors: amounts falling due after more than one year	18	(5,699,042)		(5,203,306)	
Provisions for liabilities	20	(7,053,098)		(6,576,781)	
Net assets			64,306,533		66,417,333
Capital and reserves					
Called up share capital	23	90,000		90,000	
Share premium account		448,100		448,100	
Other reserves		42,166,032		44,485,417	
Profit and loss reserves		21,602,401		21,393,816	
Total equity			64,306,533		66,417,333

The financial statements were approved by the board of directors and authorised for issue on 8 January 2021 and are signed on its behalf by:

The Hon. N P G Howard
Director

Mrs V Barnsley
Director

Company Registration No. 00480214

CASTLE HOWARD ESTATE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2020

	Share capital	Share premium account	Other reserves	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 February 2018	90,000	448,100	44,345,180	21,413,458	66,296,738
Year ended 31 January 2019:					
Profit and total comprehensive income for the year	-	-	-	120,595	120,595
Transfers	-	-	140,237	(140,237)	-
Balance at 31 January 2019	90,000	448,100	44,485,417	21,393,816	66,417,333
Year ended 31 January 2020:					
Loss and total comprehensive income for the year	-	-	-	(2,110,800)	(2,110,800)
Transfers	-	-	(2,319,385)	2,319,385	-
Balance at 31 January 2020	90,000	448,100	42,166,032	21,602,401	64,306,533

CASTLE HOWARD ESTATE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	30		(79,300)		194,806
Interest paid			(222,092)		(210,600)
Net cash outflow from operating activities			(301,392)		(15,794)
Investing activities					
Purchase of intangible assets		(14,076)		-	
Proceeds on disposal of intangibles		(70,476)		-	
Purchase of tangible fixed assets		(866,110)		(222,344)	
Proceeds on disposal of tangible fixed assets		93,559		(2,249)	
Purchase of investment property		(26,760)		(107,439)	
Proceeds on disposal of investment property		463,718		621,897	
Proceeds on disposal of fixed asset investments		(815)		(1,018)	
Proceeds from other investments and loans		6,191		(16,258)	
Interest received		815		1,018	
Net cash (used in)/generated from investing activities			(413,954)		273,607
Financing activities					
Repayment of borrowings		(13,195)		(24,265)	
Repayment of bank loans		499,975		(2,470)	
Net cash generated from/(used in) financing activities			486,780		(26,735)
Net (decrease)/increase in cash and cash equivalents			(228,566)		231,078
Cash and cash equivalents at beginning of year			1,334,780		1,103,702
Cash and cash equivalents at end of year			1,106,214		1,334,780

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

Company information

Castle Howard Estate Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Estate Office, Castle Howard, York, YO60 7DA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and after having considered the impact of the COVID-19 pandemic.

The directors have specifically considered the current COVID-19 environment on the business in the financial planning over the next 12 months. The key assumptions in this planning, are that the Company's wider estate operations will remain open, as well as the Grounds, the Adventure Playground, the Garden Centre and the Farm Shop. The Directors deem this to be a reasonable expectation and consistent with both previous and current government guidance.

The main income stream that could be continued to be significantly impacted is from visitors to the Main House due to Government restrictions, the continued depressed groups market and the low levels of international tourism.

Whilst the situation evolves daily, making scenario planning difficult, the company monitors its funding position and its liquidity risk throughout the year to ensure it has access to sufficient funds to meet forecast cash requirements. Cash forecasts are regularly produced based on scenario modelling and the Company's latest understanding.

This scenario modelling would indicate that throughout a severe but plausible downside scenario, the Company will continue to have significant liquidity headroom. To help mitigate this risk to liquidity, the Company has at the date of signing circa £2m cash in the bank, has recently been approved £440,000 from the Culture Recovery Fund to cover the winter season essential operating costs and has an overdraft facility of £500,000 with Coutts Bank. The Company has also identified, within the property portfolio, several non-core properties, that could be sold to generate necessary cash. If required, the Company could also defer capex and conservation development costs planned for the next 12 months and currently has adequate security in place against its land and property assets for any further potential loan requirements.

The directors therefore believe that the Company is well placed to manage its financing and other business risks satisfactorily, and have a reasonable expectation that the Company will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.3 Turnover

Turnover represents the amount of entrance fees received, rents receivable and goods and produce sold (stated net of value added tax).

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts and grants is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Grants of a revenue nature are credited to income in the period to which they relate. Grant relating to capital expenditure have been deducted from the costs of the relevant assets to which they relate.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Digital guide	5 years
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1.5 Tangible fixed assets

Castle Howard is known as one of England's finest historic houses, on which work began in about 1699. The Estate is situated within the Howardian Hills, an Area of Outstanding Natural Beauty, and comprises over 115 listed buildings, monuments, follies, land, ancient woodland and collections.

Freehold land and buildings includes:

- the House
- estate buildings, parkland and other historic assets, monuments and follies (Heritage Assets)
- farmland, farm buildings and other buildings located on the estate.

These are included at deemed cost, being the fair value on 1 February 2014. The fair value of the freehold land and buildings has been arrived at on the basis of a valuation carried out at 31 January 2016 by Savills (UK) Limited Chartered Surveyors, who are not connected with the company.

Preservation Costs:

Expenditure which in the Directors' view is required to restore or conserve individual items, including preservation work on Castle Howard House, other listed buildings, scheduled monuments etc., is recognised in the Profit and Loss Account when it is incurred.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

All other fixed assets are initially recorded at cost.

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land/ buildings	None/ 50 years
Plant and machinery	4-5 years
Heritage Assets: Exhibits	None

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Heritage assets

Included in the above are purchased and donated exhibits of mixed and varied nature. These are included at cost when this can be established and nil when this is not known, in line with FRS102 Section 34. These assets are not depreciated as the directors believe they have indeterminate lives.

Further information on heritage assets is given in note 28 of the accounts.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies

(Continued)

1.16 Retirement benefits

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.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Turnover analysed by class of business		
The sale of goods	8,180,768	7,190,444
Rental income	1,833,387	1,815,162
Grants and subsidies	353,279	341,901
Commission	8,702	4,727
Other	218,180	122,415
	<u>10,594,316</u>	<u>9,474,649</u>
	2020 £	2019 £
Other significant revenue		
Interest income	815	1,018
	<u>815</u>	<u>1,018</u>
	2020 £	2019 £
Turnover analysed by geographical market		
UK	<u>10,594,316</u>	<u>9,474,649</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

4 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditors for non audit services	8,000	8,000
Fees payable to the company's auditor for the audit of the company's financial statements	27,575	27,000
Depreciation of owned tangible fixed assets	253,349	213,361
Operating lease charges	19,849	9,077
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Full time	69	79
Part time	101	116
	<u> </u>	<u> </u>
Total	170	195
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	3,471,803	3,471,233
Social security costs	285,567	280,107
Pension costs	217,041	218,703
	<u> </u>	<u> </u>
	3,974,411	3,970,043
	<u> </u>	<u> </u>

6 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	262,597	270,865
	<u> </u>	<u> </u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	2019
	£	£
Remuneration for qualifying services	165,943	162,514
	<u> </u>	<u> </u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

6	Directors' remuneration	(Continued)	
	The number of directors for whom retirement benefits are accruing amounted to nil (2019: nil)		
7	Interest receivable and similar income	2020	2019
		£	£
	Interest income		
	Interest on bank deposits	815	1,018
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	815	1,018
8	Interest payable and similar expenses	2020	2019
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	222,092	210,600
9	Amounts written off investments	2020	2019
	fixed asset investments	£	£
	Changes in the fair value of investment properties	(1,424,812)	(253,586)
10	Taxation	2020	2019
		£	£
	Deferred tax		
	Origination and reversal of timing differences	476,317	(947,283)

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Loss before taxation	(1,634,483)	(826,688)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(310,552)	(157,071)
Tax effect of expenses that are not deductible in determining taxable profit	283,176	63,672
Tax effect of income not taxable in determining taxable profit	(15,770)	(25,259)
Change in unrecognised deferred tax assets	70,453	(52,492)
Other permanent differences	682,182	(682,199)
Chargeable gains / (losses)	(229,162)	(93,934)
Other	(4,010)	-
Taxation charge/(credit) for the year	476,317	(947,283)

11 Intangible fixed assets

Digital guide
£

Cost

At 1 February 2019	-
Additions	14,076
Transfers	70,476
At 31 January 2020	84,552

Amortisation and impairment

At 1 February 2019 and 31 January 2020	-
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Carrying amount

At 31 January 2020	84,552
At 31 January 2019	-

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

12 Tangible fixed assets

	Freehold land/ buildings	Plant and machinery	Heritage Assets: Exhibits	Total
	£	£	£	£
Cost				
At 1 February 2019	24,606,000	3,732,508	434,580	28,773,088
Additions	-	816,787	49,323	866,110
Disposals	-	(74,572)	-	(74,572)
Transfers	-	(70,476)	-	(70,476)
At 31 January 2020	24,606,000	4,404,247	483,903	29,494,150
Depreciation and impairment				
At 1 February 2019	114,860	3,169,033	-	3,283,893
Depreciation charged in the year	22,972	230,377	-	253,349
Eliminated in respect of disposals	-	(68,270)	-	(68,270)
At 31 January 2020	137,832	3,331,140	-	3,468,972
Carrying amount				
At 31 January 2020	24,468,168	1,073,107	483,903	26,025,178
At 31 January 2019	24,491,140	563,475	434,580	25,489,195

13 Investment property

	2020 £
Fair value	
At 1 February 2019	50,835,122
Additions through external acquisition	26,760
Disposals	(452,614)
Net gains or losses through fair value adjustments	(1,424,812)
At 31 January 2020	48,984,456

Investment property comprises rental properties and tenanted farmland. The Directors have considered the fair value of the investment property and using available information and qualified internal resources have decreased the value of the residential properties by 4.2% (2019: decreased by 0.7%) on the valuation carried forward in the prior years financial statements which was derived from a valuation completed at 31 January 2016 by Savills (UK) Limited Chartered Surveyors, who are not connected with the company. This is in line with the Office of National Statistics' published House Price index for Ryedale, for the 12 months ending 31 January 2020. No adjustment has been made in respect of tenanted farmland.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

14 Stocks

	2020 £	2019 £
Raw materials and consumables	40,027	23,646
Work in progress	813,912	652,190
Finished goods and goods for resale	408,415	423,892
	<u>1,262,354</u>	<u>1,099,728</u>

15 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	265,717	252,191
Other debtors	86,485	48,542
Prepayments and accrued income	868,636	546,293
	<u>1,220,838</u>	<u>847,026</u>

16 Current asset investments

	2020 £	2019 £
Unlisted investments	14,697	13,882
	<u>14,697</u>	<u>13,882</u>

17 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	19	60,740	56,501
Other borrowings	19	-	13,195
Trade creditors		571,653	395,405
Taxation and social security		187,614	232,529
Other creditors		314,235	324,942
Accruals and deferred income		505,374	399,741
		<u>1,639,616</u>	<u>1,422,313</u>

18 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	19	5,699,042	5,203,306
		<u>5,699,042</u>	<u>5,203,306</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

18 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	5,695,985	5,195,985
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19 Loans and overdrafts

	2020 £	2019 £
Bank loans	5,759,782	5,259,807
Other loans	-	13,195
	<u>5,759,782</u>	<u>5,273,002</u>
Payable within one year	60,740	69,696
Payable after one year	<u>5,699,042</u>	<u>5,203,306</u>

The bank loans are secured on certain land and properties owned by the company.

There are three different interest rates on the loans, 1.60% variable with a margin of 0.85% above AMC base rate, 3.96% and 4.11% fixed rate. The maturity of the loans varies between 2 years and 29 years.

20 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	21	<u>7,053,098</u>	<u>6,576,781</u>

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Timing differences	(14,640)	-
Investment property	6,818,312	6,349,705
Freehold	<u>249,426</u>	<u>227,076</u>
	<u>7,053,098</u>	<u>6,576,781</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

21 Deferred taxation (Continued)

	2020 £
Movements in the year:	
Liability at 1 February 2019	6,576,781
Charge to profit or loss	476,317
Liability at 31 January 2020	<u>7,053,098</u>

Deferred tax has been provided on the revaluation of investment properties to fair value and the revaluation of freehold properties on the transition to FRS 102.

22 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>217,041</u>	<u>218,703</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Included in other creditors at the year end was £24,135 (2019: £23,489) owed to the pension scheme.

23 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Preference share capital		
Issued and fully paid		
80,000 10% Non-cumulative preference shares of £1 each	<u>80,000</u>	<u>80,000</u>
Total equity share capital	<u>90,000</u>	<u>90,000</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	21,187	27,183
Between two and five years	34,577	55,764
	<u>55,764</u>	<u>82,947</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2020 £	2019 £
Acquisition of tangible fixed assets	<u>71,947</u>	<u>34,490</u>

26 Events after the reporting date

As part of the assessment of the going concern basis of preparation, the directors have considered the impact of the COVID-19 pandemic on the company's trade and the wider economies in which it operates. It is the view of the directors that the events which have impacted the company are the direct result of Government and international policy in response to the pandemic (for example restrictions on travel, trade and personal interactions) and such policy only arose after the balance sheet date. The directors therefore consider the impact of the COVID-19 on the business to be a non-adjusting post-balance sheet event.

27 Related party transactions

At the Balance Sheet date amounts due to Directors totalled £248,561 (2019: £257,546).

During the year there were sales of £613 (2019: £10,713) to Castle Howard Arboretum Trust, a charity that The Hon. N P G Howard and Mrs V Barnsley were trustees of during the year. There were also sales of £256 (2019: £nil) to The Arboretum Trust Trading Company, which is a wholly owned trading subsidiary of Castle Howard Arboretum Trust. There was £nil (2019: £2,693) owed from Castle Howard Arboretum Trust at the year end.

During the year rental income of £36,960 (2019: £43,512) was received from and payments of £80 (2019: £nil) were made to Grange Farm (Bulmer) Limited, a company in which CHEL holds a 2.5% share.

During the year £275 (2019: £330) was received from The English Heritage Trust, a charity that Mrs V Barnsley is a trustee of. There was no balance outstanding at the year end.

During the year key management personnel compensation amounted to £595,674 (2019: £513,440).

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

28 Ultimate controlling party

There is no ultimate controlling party of the company.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

29 Heritage assets

The world famous Grade I listed mansion house and designed landscape (which is itself a Grade I Registered Park and Garden) are an enormously popular heritage attraction, welcoming over 200,000 visitors each year. The mansion house is made instantly recognisable by its splendid dome, designed by Sir John Vanbrugh. Thanks to a successful television dramatisation, the majestic view across the Great Lake to the North façade has become strongly associated in many people's minds with Evelyn Waugh's classic novel *Brideshead Revisited*.

In addition the estate comprises an outstanding combination of listed buildings and scheduled monuments. Several nationally important collections are contained within the Estate: horticultural, buildings, statuary and follies as well as many works of art. There is an exceptional archive of historic maps and estate papers relating to the development of the designed landscape and the English Landscape Movement, as well as a rare archive of botanical surveys

The Company occasionally makes items from the collections available on loan to museums and other institutions for public display. It also accepts collections of paintings, furniture, statuary etc. on loan from other owners, for display in and around the House. At any one time the greater part of the collections is on display, while the remaining items are in storage or in rooms not open to the public, awaiting restoration or rotation as appropriate. Access to exhibits is permitted to scholars and others for research purposes, subject to agreement by the Directors.

Preservation and Management

The collections are managed by a Curator, who reports to the Directors in accordance with policies approved by the Directors.

The Curatorial Department is responsible for managing and safeguarding the collections at Castle Howard, including the archives, facilitating research projects and disseminating information about Castle Howard and its history.

The Estate Office and the Curatorial Department keep registers of the heritage assets for which they are respectively responsible.

Over the last five decades more than £9m has been committed to conservation and essential repairs of Castle Howard's heritage assets; this is in addition to regular spending on maintenance and management. It is estimated that at least £50m is required to improve, restore or conserve listed buildings, and another £15m to bring them back to economical use. Additional expenditure is also required on the ancient trees and woodlands that give the Estate its character.

In 2008 a Conservation Management Plan was drawn up. An executive summary can be found at www.castlehoward.co.uk, or the full plan can be obtained by writing to The Estate Office, Castle Howard, York YO60 7DA.

Five year financial summary of heritage asset transactions:

There have been no additions or disposals of the House, estate buildings, parkland and other historic assets, monuments and follies (excluding exhibits), in the last five years.

	Year to 31.01.16	Year to 31.01.17	Year to 31.01.18	Year to 31.01.19	Year to 31.01.20
	£	£	£	£	£
Exhibits					
Opening balance b/fwd:	464,880	464,880	434,580	434,580	434,580
Additions and improvements	-	17,000	-	-	49,323
Disposals	-	(28,500)	-	-	-
Revaluations	-	(18,800)	-	-	-
Closing balance c/fwd	464,880	434,580	434,580	434,580	483,903

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

30 Cash (absorbed by)/generated from operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(2,110,800)	120,595
Adjustments for:		
Taxation charged/(credited)	476,317	(947,283)
Finance costs	222,092	210,600
Investment income	(815)	(1,018)
Depreciation and impairment of tangible fixed assets	253,349	213,361
Amounts written off investments	1,424,812	253,586
(Profit)/Loss on disposal of fixed assets	(27,885)	(6,345)
Movements in working capital:		
(Increase)/decrease in stocks	(162,626)	181,909
Increase in debtors	(380,003)	(69,628)
Increase in creditors	226,259	239,029
Cash (absorbed by)/generated from operations	(79,300)	194,806

31 Analysis of changes in net debt

	1 February 2019 £	Cash flows £	31 January 2020 £
Cash at bank and in hand	1,334,780	(228,566)	1,106,214
Borrowings excluding overdrafts	(5,273,002)	(486,780)	(5,759,782)
	<u>(3,938,222)</u>	<u>(715,346)</u>	<u>(4,653,568)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.