

Company registration number 00480214 (England and Wales)

CASTLE HOWARD ESTATE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023



CASTLE HOWARD ESTATE LIMITED

COMPANY INFORMATION

Directors The Hon. N P G Howard
 Mr G F G Howard
 Mrs V Howard
 Mr R Sebag-Montefiore

Secretary Mr W Wood

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 2023

The directors present the strategic report for the year ended 31 January 2023.

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, comprised 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 with land ownership.

Since its incorporation, the Company has committed millions of pounds 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 in many ways acts as a 'not for profit organisation' since it invests all free cashflow in essential repairs, conservation and restoration. The profit on ordinary activities for the year amounted to £472,920 (2022: £5,374,469), this includes £1,605,467 of unrealized positive revaluation to the company's investment property portfolio (2022: £10,074,639). Accumulated gains in the profit and loss reserves carried forward as at 31 January 2023 equaled £22,296,509 (2022: £23,544,552).

The year to 31 January 2023 was another challenging period, with a war in Ukraine, the cost-of-living crisis and high inflation all having an impact on trading. Despite this, turnover saw an increase of 11.9% in the year, helped by a record performance over the Christmas period, which in turn was influenced by the estate being featured in a Channel 4 documentary series. Total visitors to the house and grounds were 264,852 (2022: 241,463) up by 9.7%. Whilst profit from most trading departments was up on 2022, the events business has continued to struggle since the COVID pandemic. Conversely, farming delivered significant growth as a result of strong yields and high wheat prices.

The Company's profit and loss account continues to reflect the Company's strategy to address, wherever possible, the conservation and restoration needs of its historic buildings and natural landscape.

CASTLE HOWARD ESTATE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

Principal risks and uncertainties

The most significant value driver within the existing business model is footfall to the visitor attraction, and associated yield per visitor (including secondary spend through retail and catering outlets). Several prospective risks or emerging uncertainties exist, which could influence visitor numbers and spending.

Whilst the more direct impact of COVID on UK society has now largely subsided, it continues to adversely influence the groups' market and inbound tourism. Visitor numbers from these key sectors have yet to reach pre-pandemic levels but are starting to recover and the Directors are confident this positive trend will continue.

The UK economic environment, and in particular the prevailing levels of inflation, increasing interest rates and associated cost-of-living challenges, continue to generate a level of uncertainty regarding visitor numbers and spending – especially regarding families. However, our membership base continues to grow, and elsewhere across the business demand for holiday accommodation remains strong as general cost pressures continue to support the domestic holiday market.

The weather will continue to have an unavoidable influence on visitor numbers, albeit any adverse impact over a short period of time would be expected to be neutralized over the longer term and further mitigated by a diverse portfolio of income streams.

Across the wider estate the weather also poses an uncertainty to farming yields, and the ongoing war in Ukraine continues to generate potential price volatility in associated commodity markets. Both factors are mitigated by a close working relationship with our farming contractors.

The Company's emerging real estate strategy is an integral part of the wider medium-term plan and is in part linked to conditions across the local housing market, and general planning regulations. The business routinely monitors the housing market and maintains close dialogue with the relevant authorities.

The Company is financed by cash flow and by variable and fixed rate debt. Appropriate and sufficient funding is in place to fulfil forecast expenditure over the coming year, whilst also maintaining suitable levels of reserves to manage and limit liquidity risk.

Direct interest rate exposure, generated by financial liabilities and assets, is considered to be low and no explicit hedging is therefore undertaken. Cash balances are also actively managed to minimize net interest rate exposure and to optimize yields.

The Company closely monitors counterparty risk and exposures, both in the context of cash management and debtor management. There are no significant counterparty exposures, or existing provisions, neither have any notable losses been recently incurred. The amounts shown in the balance sheet represent the maximum risk exposure in the event other parties fail to perform their obligations.

CASTLE HOWARD ESTATE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

Development and performance

Looking ahead to 2023/24, the business will continue to focus on its stated strategic directives:

1. Restore – our built and natural heritage assets
2. Regenerate – our natural environment
3. Revive – our local communities

The business will pursue these strategic pillars in order to safe-guard Castle Howard as a world class heritage site for current and future generations, to further enhance the ecological and biodiversity impact from our landscape, to promote the local economy, to enable visitor access and experience, and, to both grow and diversify income streams to fund on-going conservation.

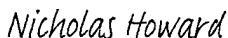
More specifically, the business will continue to develop and deliver its medium-term plan, including advancing its real estate strategy, progressing the house development and restoration project, focusing on the holiday accommodation business and investing in multiple natural environment initiatives such as seeking to expand the Tree Nursery.

Despite continued socio-economic and geo-political challenges, the Directors retain a cautiously optimistic outlook for the year ahead – supported by our membership, visitors, volunteers and colleagues.

Key performance indicators

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

On behalf of the board


Nicholas Howard (Oct 19, 2023 10:40 GMT+1)

The Hon. N P G Howard
Director

11 October 2023

CASTLE HOWARD ESTATE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their annual report and financial statements for the year ended 31 January 2023.

Principal activities

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

Results and dividends

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

The profit for the year, after taxation, amounted to £472,920. The directors have not recommended a dividend.

No preference dividends were paid.

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
Mrs V Howard
Mr R Sebag-Montefiore

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

Nicholas Howard
Nicholas Howard [Oct 19, 2023 10:40 GMT+1]

The Hon. N P G Howard
Director

11 October 2023

CASTLE HOWARD ESTATE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2023

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 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 and of its profit 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
- We focussed on laws and regulations, relevant to the company, which could give rise to a material misstatement in the financial statements. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and a review of legal expenses incurred. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.
- As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements of non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

CASTLE HOWARD ESTATE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CASTLE HOWARD ESTATE LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Daniel Sowden (Oct 20, 2023 15:33 GMT+1)

Daniel Sowden
Senior Statutory Auditor
For and on behalf of BHP LLP

Date: Oct 20, 2023

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 2023

	Notes	2023 £	2022 £
Turnover	3	14,947,092	13,361,493
Cost of sales		(13,023,474)	(11,112,352)
Gross profit		1,923,618	2,249,141
Administrative expenses		(2,342,202)	(2,324,903)
Other operating income		24,689	826,233
Profit/(loss) on disposal of fixed assets		-	7,805
Operating (loss)/profit	4	(393,895)	758,276
Interest receivable and similar income	7	50,089	1,305
Interest payable and similar expenses	8	(370,172)	(313,116)
Amounts written off investments	9	1,605,967	10,074,639
Profit before taxation		891,989	10,521,104
Tax on profit	10	(419,069)	(5,146,635)
Profit for the financial year		472,920	5,374,469

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 2023

	2023 £	2022 £
Profit for the year	472,920	5,374,469
Other comprehensive income	-	-
Total comprehensive income for the year	<u>472,920</u>	<u>5,374,469</u>

CASTLE HOWARD ESTATE LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2023

	Notes	2023 £	2022 £
Fixed assets			
Intangible assets	11	83,331	108,795
Tangible assets	12	27,615,926	26,876,895
Heritage assets	12	764,548	483,903
Investment properties	13	66,472,001	64,349,547
		<u>94,935,806</u>	<u>91,819,140</u>
Current assets			
Stocks	14	2,392,634	1,581,702
Debtors	15	1,581,866	1,353,287
Investments	16	17,806	16,141
Cash at bank and in hand		4,539,969	6,621,164
		<u>8,532,275</u>	<u>9,572,294</u>
Creditors: amounts falling due within one year	17	<u>(2,850,010)</u>	<u>(1,758,435)</u>
Net current assets		<u>5,682,265</u>	<u>7,813,859</u>
Total assets less current liabilities		<u>100,618,071</u>	<u>99,632,999</u>
Creditors: amounts falling due after more than one year	18	(10,914,735)	(10,821,652)
Provisions for liabilities		<u>(13,779,375)</u>	<u>(13,360,306)</u>
Net assets		<u><u>75,923,961</u></u>	<u><u>75,451,041</u></u>
Capital and reserves			
Called up share capital	22	90,000	90,000
Share premium account		448,100	448,100
Other reserves		53,089,352	51,368,389
Profit and loss reserves		22,296,509	23,544,552
Total equity		<u><u>75,923,961</u></u>	<u><u>75,451,041</u></u>

The financial statements were approved by the board of directors and authorised for issue on 11 October 2023 and are signed on its behalf by:

Nicholas Howard
Nicholas Howard (Oct 19, 2023 10:40 GMT+1)

The Hon. N P G Howard
Director

Victoria Howard
Victoria Howard (Oct 19, 2023 11:44 GMT+1)

Mrs V Howard
Director

Company Registration No. 00480214

CASTLE HOWARD ESTATE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2023

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 February 2021	90,000	448,100	46,257,296	23,281,176	70,076,572
Year ended 31 January 2022:					
Profit and total comprehensive income for the year	-	-	-	5,374,469	5,374,469
Transfers	-	-	5,111,093	(5,111,093)	-
Balance at 31 January 2022	90,000	448,100	51,368,389	23,544,552	75,451,041
Year ended 31 January 2023:					
Profit and total comprehensive income for the year	-	-	-	472,920	472,920
Transfers	-	-	1,720,963	(1,720,963)	-
Balance at 31 January 2023	90,000	448,100	53,089,352	22,296,509	75,923,961

CASTLE HOWARD ESTATE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	28	221,328		5,359,450	
Interest paid		(370,172)		(313,116)	
Net cash (outflow)/inflow from operating activities		(148,844)		5,046,334	
Investing activities					
Purchase of tangible fixed assets		(1,457,613)		(833,406)	
Proceeds on disposal of tangible fixed assets		-		7,809	
Investment property additions		(516,487)		(86,521)	
Proceeds on disposal of investments		(1,665)		(877)	
Receipts arising from loans made		(14,059)		24,288	
Interest received		50,089		1,305	
Net cash used in investing activities		(1,939,735)		(887,402)	
Financing activities					
Bank loan movements		7,384		(2,849)	
Net cash generated from/(used in) financing activities		7,384		(2,849)	
Net (decrease)/increase in cash and cash equivalents		(2,081,195)		4,156,083	
Cash and cash equivalents at beginning of year		6,621,164		2,465,081	
Cash and cash equivalents at end of year		4,539,969		6,621,164	

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

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 secured appropriate funding to fulfill budgeted expenditure for the following year. At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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
Land entitlements	7 years

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.

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	5-10 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 27 of the accounts.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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.

The historical cost is based on deemed cost, being the fair value on 1 February 2014, as adjusted for subsequent additions and disposals. The fair value of the investment property 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.

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.

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.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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.

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.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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.

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.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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. Under FRS102, the deferred tax liability must be measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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.

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.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

1 Accounting policies

(Continued)

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.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment property

The company holds investment properties that are required under FRS102 to be carried at fair value. An external valuation of the properties was obtained as at 31 January 2022. Since this date, the residential properties valuation has been adjusted in line with the Office of National Statistics' published House Price Index for Ryedale. No adjustment has been made in respect of tenanted farmland as, in the directors' opinion, the rental yields on which the valuation was based have not altered significantly.

Valuation of farm stock

The farm stock valuation is based on the total cost of inputs required to produce the crops. In arriving at the value of the farm stock in hand at the balance sheet date, the costs need to be apportioned across the various crop types. This estimate of the cost allocation is based upon an external report which provides the expected inputs required to produce each crop type.

Deferred tax

The provision for deferred tax represents the directors' best estimate of the future cost to the company due in relation to future gains on sale of investments. The estimate takes into account the current level of unrealised gains on investments at the substantially enacted corporation tax rate at the reporting date, currently set at 25%.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

3 Turnover and other revenue

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

	2023 £	2022 £
Turnover analysed by class of business		
The sale of goods	12,229,023	10,710,318
Rental income	1,867,555	1,815,154
Subsidies	181,534	226,746
Commission	19,911	38,965
Other	649,069	570,310
	<u>14,947,092</u>	<u>13,361,493</u>

	2023 £	2022 £
Other significant revenue		
Interest income	50,089	1,305
Grants receivable	24,689	760,625
Coronavirus Job Retention Scheme grant receivable	-	65,608
	<u></u>	<u></u>

	2023 £	2022 £
Turnover analysed by geographical market		
UK	<u>14,947,092</u>	<u>13,361,493</u>

4 Operating (loss)/profit

	2023 £	2022 £
Operating (loss)/profit 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	27,000	27,000
Depreciation of owned tangible fixed assets	437,937	366,974
Amortisation of intangible assets	25,464	25,464
Operating lease charges	<u>15,188</u>	<u>15,284</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

5 Employees

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

	2023 Number	2022 Number
Full time	82	67
Part time	111	94
Total	<u>193</u>	<u>161</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	3,938,107	3,276,653
Social security costs	368,452	278,755
Pension costs	101,616	105,289
	<u>4,408,175</u>	<u>3,660,697</u>

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	<u>258,196</u>	<u>246,936</u>

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

	2023 £	2022 £
Remuneration for qualifying services	<u>167,471</u>	<u>161,700</u>

The number of directors for whom retirement benefits are accruing amounted to nil (2022: nil)

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	<u>50,089</u>	<u>1,305</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>50,089</u>	<u>1,305</u>
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CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

8 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	370,172	313,116

9 Amounts written off investments

	2023	2022
	£	£
Changes in the fair value of investment properties	1,605,967	10,074,639

10 Taxation

	2023	2022
	£	£
Deferred tax		
Origination and reversal of timing differences	419,069	5,146,635

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

	2023	2022
	£	£
Profit before taxation	891,989	10,521,104
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 25.00%)	222,997	2,630,276
Tax effect of income not taxable in determining taxable profit	(401,492)	(2,518,660)
Change in unrecognised deferred tax assets	196,072	(117,633)
Effect of change in corporation tax rate	-	2,593,791
Chargeable gains / (losses)	401,492	2,558,861
Taxation charge for the year	419,069	5,146,635

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

11 Intangible fixed assets

	Digital guide	Land entitlements	Total
	£	£	£
Cost			
At 1 February 2022 and 31 January 2023	127,292	21,821	149,113
Amortisation and impairment			
At 1 February 2022	40,318	-	40,318
Amortisation charged for the year	25,464	-	25,464
At 31 January 2023	65,782	-	65,782
Carrying amount			
At 31 January 2023	61,510	21,821	83,331
At 31 January 2022	86,974	21,821	108,795

12 Tangible fixed assets

	Freehold land/ buildings	Plant and machinery	Heritage Assets: Exhibits	Total
	£	£	£	£
Cost				
At 1 February 2022	25,310,748	5,663,357	483,903	31,458,008
Additions	-	1,176,968	280,645	1,457,613
At 31 January 2023	25,310,748	6,840,325	764,548	32,915,621
Depreciation and impairment				
At 1 February 2022	183,776	3,913,434	-	4,097,210
Depreciation charged in the year	22,972	414,965	-	437,937
At 31 January 2023	206,748	4,328,399	-	4,535,147
Carrying amount				
At 31 January 2023	25,104,000	2,511,926	764,548	28,380,474
At 31 January 2022	25,126,972	1,749,923	483,903	27,360,798

13 Investment property

	2023 £
Fair value	
At 1 February 2022	64,349,547
Additions through external acquisition	516,487
Net gains or losses through fair value adjustments	1,605,967
At 31 January 2023	66,472,001

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

13 Investment property

(Continued)

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 increased the value of the residential properties by 3.7% on the valuation carried forward in the prior years financial statements which was derived from a valuation completed at 31 January 2022 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 2023. No adjustment has been made in respect of tenanted farmland.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2023 £	2022 £
Cost	41,394,830	40,878,343
Accumulated depreciation	-	-
Carrying amount	<u>41,394,830</u>	<u>40,878,343</u>

14 Stocks

	2023 £	2022 £
Raw materials and consumables	31,259	21,767
Work in progress	999,912	939,894
Finished goods and goods for resale	1,361,463	620,041
	<u>2,392,634</u>	<u>1,581,702</u>

15 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	528,000	518,441
Other debtors	135,042	86,195
Prepayments and accrued income	918,824	748,651
	<u>1,581,866</u>	<u>1,353,287</u>

16 Current asset investments

	2023 £	2022 £
Unlisted investments	<u>17,806</u>	<u>16,141</u>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

17 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Bank loans	19	66,645	59,261
Trade creditors		947,399	615,834
Taxation and social security		143,508	147,124
Other creditors		36,830	47,584
Accruals and deferred income		1,655,628	888,632
		<u>2,850,010</u>	<u>1,758,435</u>

18 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	19	6,205,985	6,205,985
Other creditors		4,708,750	4,615,667
		<u>10,914,735</u>	<u>10,821,652</u>

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

Payable by instalments	4,311,189	4,455,997
Payable other than by instalments	6,205,985	6,205,985
	<u>10,517,174</u>	<u>10,661,982</u>

19 Loans and overdrafts

	2023 £	2022 £
Bank loans	<u>6,272,630</u>	<u>6,265,246</u>
Payable within one year	66,645	59,261
Payable after one year	<u>6,205,985</u>	<u>6,205,985</u>

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

There are three different interest rates on the bank loans, 2.55% above AMC base rate, 3.96% and 4.11% fixed rate. The maturity of the loans varies between 1 year and 28 years. The interest rate on the other loan is 2%.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

20 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 2023 £	Liabilities 2022 £
Balances:		
Timing differences	-	(17,578)
Investment property	13,382,649	12,981,158
Freehold	396,726	396,726
	<u>13,779,375</u>	<u>13,360,306</u>
Movements in the year:		2023 £
Liability at 1 February 2022		13,360,306
Charge to profit or loss		419,069
Liability at 31 January 2023		<u>13,779,375</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.

21 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>101,616</u>	<u>105,289</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 £16,351 (2022: £16,264) owed to the pension scheme.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

22 Share capital

	2023 £	2022 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
Preference share capital		
Issued and fully paid		
80,000 10% Non-cumulative preference shares of £1 each	80,000	80,000
Total equity share capital	90,000	90,000

23 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:

	2023 £	2022 £
Within one year	7,911	10,548
Between two and five years	-	4,615
	7,911	15,163

Lessor

The operating leases represent leases of both residential and commercial property to third parties.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2023 £	2022 £
Within one year	217,268	232,149
Between two and five years	311,706	203,961
In over five years	941,996	798,065
	1,470,970	1,234,175

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	55,442	-

25 Related party transactions

At the Balance Sheet date amounts due from Directors totalled £30,309 (2022: £10,971 due from directors).

During the year there were sales of £2,441 (2022: £3,864) to Castle Howard Arboretum Trust, a charity that The Hon. N P G Howard and Mrs V Howard were trustees of during the year. There was £8,055 (2022: £3,920) owed from Castle Howard Arboretum Trust at the year end.

During the year rental income of £36,960 (2022: £36,960) was received from and payments of £nil (2022: £nil) were made to Grange Farm (Bulmer) Limited, a company in which CHEL holds a 2.5% share. There was no balance outstanding at the year end.

During the year key management personnel compensation amounted to £610,485 (2022: £630,426).

26 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 2023

27 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 31.01.19 £	Year to 31.01.20 £	Year to 31.01.21 £	Year to 31.01.22 £	Year to 31.01.23 £
Exhibits					
Opening balance b/fwd:	434,580	434,580	483,903	483,903	483,903
Additions and improvements	-	49,323	-	-	280,645
Disposals	-	-	-	-	-
Revaluations	-	-	-	-	-
Closing balance c/fwd	434,580	483,903	483,903	483,903	764,548

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

28 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	472,920	5,374,469
Adjustments for:		
Taxation charged	419,069	5,146,635
Finance costs	370,172	313,116
Investment income	(50,089)	(1,305)
Amortisation and impairment of intangible assets	25,464	25,464
Depreciation and impairment of tangible fixed assets	437,937	366,974
Amounts written off investments	(1,605,967)	(10,074,639)
(Profit)/Loss on disposal of fixed assets		(7,805)
Movements in working capital:		
Increase in stocks	(810,932)	(313,006)
Increase in debtors	(214,520)	(92,850)
Increase in creditors	1,177,274	4,622,397
Cash generated from operations	<u>221,328</u>	<u>5,359,450</u>

29 Analysis of changes in net funds/(debt)

	1 February 2022 £	Cash flows £	31 January 2023 £
Cash at bank and in hand	6,621,164	(2,081,195)	4,539,969
Borrowings excluding overdrafts	(6,265,246)	(7,384)	(6,272,630)
	<u>355,918</u>	<u>(2,088,579)</u>	<u>(1,732,661)</u>