

480214

CASTLE HOWARD ESTATE LIMITED

FINANCIAL STATEMENTS

31 January 1996

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CASTLE HOWARD ESTATE LIMITED**COMPANY INFORMATION****DIRECTORS**

The Hon. S.B.G. Howard (Chairman)

The Hon. N.P.G. Howard

The Hon. A.M.G. Howard

SECRETARY

T.C. Adams

AUDITORS

Barron & Barron,
Chartered Accountants
and Registered Auditor,
Bathurst House,
86 Micklegate,
York.

BANKERS

Coutts & Co.,
17 Park Place,
Leeds.

SOLICITORS

Frere Cholmeley Bischoff,
London.

Denison Till,
York.

REGISTERED OFFICE

The Estate Office,
Castle Howard,
York.

COMPANY NUMBER

480214

CASTLE HOWARD ESTATE LIMITED**DIRECTORS' REPORT**

The Directors present their Annual Report and the audited financial statements of the company for the year ended 31st January 1996.

PRINCIPAL ACTIVITIES

The activities of the company are those of an Estate Company carrying on activities related to land ownership.

RESULTS AND DIVIDENDS

The profit on ordinary activities for the year amounted to £297,990 before net proceeds on property of £141,249, leaving profits of £439,239 to be deducted from accumulated losses brought forward. Accumulated losses carried forward at 31st January 1996 are £632,097.

The Directors do not recommend the payment of a dividend.

MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the Directors, the value of the freehold property is in excess of any liabilities that the Company has incurred. However, in the absence of a professional valuation an accurate figure cannot be expressed.

FIXED ASSETS

The movement in tangible fixed assets during the year is set out in note 8 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The Directors in office throughout the year and their beneficial and trustee interest in the shares of the company were as follows:

AT 31ST JANUARY 1995 AND 31ST JANUARY 1996

	ORDINARY SHARES OF £1 EACH	7.5% NON-CUMULATIVE PREFERENCE SHARES OF £1 EACH
As Trustees -		
The Hon. N.P.G. Howard)		
The Hon. S.B.G. Howard)	10,000	
The Hon. A.M.G. Howard)		
As Beneficiaries under a Settlement -		
The Hon. N.P.G. Howard		22,000
The Hon. S.B.G. Howard		30,000
The Hon. A.M.G. Howard		22,000

CASTLE HOWARD ESTATE LIMITED**DIRECTORS' REPORT****DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

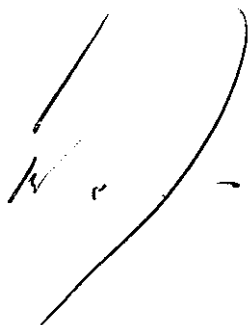
AUDITORS

A resolution to re-appoint Barron & Barron, as Auditors will be put to the members at the Annual General Meeting.

By Order of the Board

T. C. ADAMS

Secretary

A handwritten signature in black ink, appearing to be 'T. C. Adams', written over a large, sweeping curved line that serves as a signature flourish.

11th June 1996

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

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion from disagreement about accounting treatment

The company owns various freehold land and buildings which have been included at a nominal value of £1 with sales and purchases included in the Profit and Loss Account. The company also owns various exhibits and costumes which are included at cost. Both the above do not comply with the requirements of the Companies Act 1985 and SSAP12 in relation to the reflection of fixed assets at a fair value. In our opinion these assets are worth substantially more than the accounts value but without a professional valuation it is not possible to quantify the exact values. It should also be noted that no depreciation has been provided on the above assets in accordance with SSAP12. The financial statements do not include an explanation for this departure from applicable accounting standards as required by the Companies Act 1985.

Except for the failure to account for the fair value of fixed assets and related depreciation in accordance with SSAP12, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st January 1996 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BARRON & BARRON

Chartered Accountants
and Registered Auditor

Bathurst House,
86 Micklegate,
York.

11th June 1996

CASTLE HOWARD ESTATE LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31st January 1996**

	Note	1996	1995
TURNOVER	2	3,579,258	3,496,623
Cost of sales		3,115,336	3,299,331
		<hr/>	<hr/>
GROSS PROFIT		463,922	197,292
Administrative expenses		304,465	297,624
		<hr/>	<hr/>
		159,457	(100,332)
Other operating income	3	196,876	188,836
		<hr/>	<hr/>
OPERATING PROFIT		356,333	88,504
Interest payable	5	117,443	78,033
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		238,890	10,471
Tax on profit on ordinary activities	6	(59,100)	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		297,990	10,471
Net proceeds(expenditure) on freehold property	7	141,249	(118,421)
		<hr/>	<hr/>
PROFIT(LOSS) FOR THE YEAR	15	<u>£ 439,239</u>	<u>£ (107,950)</u>

There were no recognised gains or losses either in the current or preceding year other than those recorded in the profit and loss account.

All of the activities undertaken by the company during the year are continuing activities.

CASTLE HOWARD ESTATE LIMITED

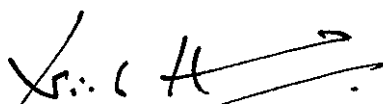
BALANCE SHEET

31st January 1996

	Note	1996	1995
FIXED ASSETS			
Tangible assets	8		
Land and buildings		1	1
Plant and machinery		162,480	195,806
Exhibits		455,875	470,513
Cattle herd		50,885	54,485
Plant acquired under finance leases		62,717	47,097
		731,958	767,902
Investments	9	2,183	2,183
		<u>734,141</u>	<u>770,085</u>
CURRENT ASSETS			
Stock	10	507,841	493,429
Debtors	11	572,326	405,960
Cash at bank and in hand		620,239	461,074
		<u>1,700,406</u>	<u>1,360,463</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	1,077,012	1,143,112
		<u>623,394</u>	<u>217,351</u>
NET CURRENT ASSETS		<u>1,357,535</u>	<u>987,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,357,535</u>	<u>987,436</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Loans	13	1,451,532	1,520,672
		<u>£ (93,997)</u>	<u>£ (533,236)</u>
CAPITAL AND RESERVES			
Called up share capital	14	90,000	90,000
Share Premium account		448,100	448,100
Profit and loss account	15	(632,097)	(1,071,336)
		<u>£ (93,997)</u>	<u>£ (533,236)</u>
SHAREHOLDERS' FUNDS	16	<u>£ (93,997)</u>	<u>£ (533,236)</u>

The financial statements were approved by the Board of Directors on 11th June 1996 and are signed on its behalf by:

N.P.G. HOWARD
Director



S.B.G. HOWARD
Director



CASTLE HOWARD ESTATE LIMITED

CASH FLOW STATEMENT

For the year ended 31st January 1996

	Note	1996	1995
Net cash inflow from operating activities	20a	497,419	345,015
Returns on investments and servicing of finance			
Interest received	10,546	14,425	
Interest paid	(164,540)	(86,543)	
Net cash (outflow) from returns on investments and servicing of finance		(153,994)	(72,118)
Taxation			
U.K. corporation tax paid		(51)	(9,961)
Investing activities			
Receipts from sales of tangible fixed assets	522,999	66,969	
Payments to acquire tangible fixed assets	(173,157)	(197,231)	
Sale (purchase) of trade investments	-	(138)	
Net cash inflow (outflow) from investing activities	349,842	(130,400)	
Net cash inflow (outflow) before financing		693,216	132,536
Financing			
Loan advanced	-	500,000	
Loan repayments	(8,740)	(10,106)	
Short term loans repaid	(58,845)	(735,170)	
Capital element of HP and finance lease payments	(68,465)	(91,196)	
Net cash (outflow) inflow from financing		(136,050)	(336,472)
(Decrease)in cash and cash equivalents	20d	£ 557,166	£ (203,936)

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with the historical cost convention as modified to include freehold property at a nominal value of £1.00.

DEPRECIATION

No depreciation has been provided on freehold property, costume gallery exhibits, castle opening exhibits or cattle herd.

All other tangible fixed assets are depreciated to write off the cost or valuation evenly over their expected useful lives as follows:-

Motor vehicles	4 years
Plant and machinery	5 years
Other assets	20 years
Leased assets	over the term of primary lease

GOVERNMENT GRANTS

Government grants on capital expenditure have been deducted from the cost of the relevant asset.

Grants of a revenue nature are credited to income in the period to which they relate.

STOCKS

All stocks are stated at the lower of cost or net realisable value.

2. TURNOVER

Turnover represents the amount of fees received and goods and produce sold (stated net of value added tax). The turnover and pre-tax profit is attributable to the following activities:

	1996	1995	1996 PRE-TAX PROFIT	1995 (LOSS)
	TURNOVER			
Castle opening including filming and facility fees	1,644,280	1,610,094	103,978	(120,508)
Farm	1,374,720	1,328,007	261,145	222,249
Caravan site	121,834	112,812	75,821	60,540
Woodlands	91,356	103,036	(8,464)	5,819
Plant centre	347,068	342,674	31,442	29,192
	<hr/>	<hr/>	<hr/>	<hr/>
	3,579,258	3,496,623	463,922	197,292
	<hr/>	<hr/>	<hr/>	<hr/>
		1996		1995

3. OTHER OPERATING INCOME

Rental income less outgoings	£196,876	£188,836
	<hr/>	<hr/>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	1996	1995
4. OPERATING PROFIT		
a. This is stated after charging		
Directors remuneration	25,429	25,284
Auditors' remuneration	27,615	28,935
Depreciation of tangible fixed assets	88,655	94,864
Depreciation of assets held under finance leases	28,948	38,165
(Profit) on sale of fixed assets	(7,922)	(1,611)
(Profit) on sale of exhibits	(237,762)	-
(Profit) on sale of fixed assets held under finance leases	-	(3,444)
	<hr/>	<hr/>
b. Staff costs during the year amounted to		
Wages and salaries	879,300	845,655
Social Security costs	64,519	62,214
Other pension costs	38,724	37,626
	<hr/>	<hr/>
	£982,543	£945,495
	<hr/>	<hr/>

The average weekly number of employees, excluding Directors, retained by the Company throughout the year was 141 (1995:153), including 89 (1995:85) part-time employees.

	1996	1995
5. INTEREST PAYABLE		
Interest received	(10,491)	(14,378)
Bank overdraft	1,426	2,082
Other loans wholly repayable within five years	53,501	21,790
Other loans not wholly repayable within five years	67,656	61,908
Finance charges in respect of finance leases	5,351	6,631
	<hr/>	<hr/>
	£117,443	£ 78,033
	<hr/>	<hr/>
6. TAXATION		
Based on the result for the year:		
Corporation tax loss refundable	£(59,100)	-
	<hr/>	<hr/>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

7. PROFITS ON REALISATION OF FREEHOLD PROPERTY

Net proceeds on sales	259,075		51,656	
LESS: Capital gains tax	-		-	
	<u>259,075</u>		<u>51,656</u>	
Property improvements		(117,826)		(170,077)
		<u>£141,249</u>		<u>£(118,421)</u>

8. TANGIBLE FIXED ASSETS

a. LAND AND BUILDINGS

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

TANGIBLE FIXED ASSETS	PLANT ACQUIRED UNDER FINANCE PLANT AND LEASESMACHINERY	EXHIBITS	CATTLE HERD	
b. COST OR VALUATION				
At 31st January 1995	208,360	879,065	470,513	54,485
Additions	44,568	55,331	-	-
Disposals	-	(21,420)	(14,638)	(3,600)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st January 1996	252,928	912,976	455,875	50,885
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 31st January 1995	161,263	683,259	-	-
Provided during the year	28,948	88,655	-	-
Disposals	-	(21,418)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st January 1996	190,211	750,496	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
AT 31ST JANUARY 1996	62,717	162,480	455,875	50,885
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
AT 31ST JANUARY 1995	47,097	195,806	470,513	54,485

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9.	INVESTMENTS	1996	1995
	These are unquoted investments as follows		
	Grange Farm (Bulmer) Limited		
	1000 'A' Ord. voting shares of £1 each at cost	1,000	1,000
	The Company owns 100% of the issued 'A' Ord. voting shares		
	Trade investments	1,183	1,183
		<hr/>	<hr/>
		£ 2,183	£ 2,183
		<hr/>	<hr/>
10.	STOCKS		
	Materials and consumables	20,180	16,505
	Goods for resale	201,560	232,460
	Farm livestock, produce, stores and workings in land	286,101	244,464
		<hr/>	<hr/>
		£507,841	£493,429
		<hr/>	<hr/>
11.	DEBTORS		
	Trade debtors	164,706	164,441
	Other debtors	137,759	163,499
	Prepayments and accrued income	105,801	78,020
	Directors loan accounts	104,960	-
	Corporation tax recoverable	59,100	-
		<hr/>	<hr/>
		£572,326	£405,960
		<hr/>	<hr/>
12.	CREDITORS: amounts falling due within one year		
	Bank overdraft	85,410	483,411
	Current instalments on loans	23,867	48,242
	Current obligations under finance leases	25,919	23,886
	Corporation tax	-	-
	Other taxes and social security	27,733	14,176
	Other creditors	541,211	167,193
	Accruals	372,872	406,204
		<hr/>	<hr/>
		£1,077,012	£1,143,112
		<hr/>	<hr/>

The bank overdraft is unsecured.

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13	LOANS	1996	1995
a.	Loans repayable		
	Within 1 - 2 years	182,608	239,530
	Within 2 - 5 years	516,725	519,413
	5 years or more	752,199	761,729
		<hr/>	<hr/>
		£1,451,532	£1,520,672
		<hr/>	<hr/>
b.	Details of loans repayable five years or more are as follows:		
	By instalments		
	Agricultural Mortgage Corp. plc.		
	Loan @ 8.25% repayable		
	by 12th August 2008	131,066	137,278
	Loan @ 9.5% repayable		
	by 12th August 2012	99,107	101,680
	Loan at variable rate		
	repayable by 12th August 2032	397,026	397,771
		<hr/>	<hr/>
		627,199	636,729
	Otherwise		
	Mortgage Loans		
	Agricultural Mortgage Corp.		
	Loan @ 8.5% repayable by		
	12th February 2012	119,000	119,000
	Loan @ 9.5% repayable by		
	12th August 2012	6,000	6,000
		<hr/>	<hr/>
		125,000	125,000
		<hr/>	<hr/>
		£752,199	£761,729
		<hr/>	<hr/>
		1996	1995
		1996	1995
14.	SHARE CAPITAL	1996	1995
		No.	Allotted and Fully paid
	Ordinary shares of £1 each	10,000	10,000
	7.5% non-cumulative preference		
	shares of £1 each	80,000	80,000
		<hr/>	<hr/>
		90,000	90,000
		<hr/>	<hr/>

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	1996	1995
15. PROFIT AND LOSS ACCOUNT		
At 1st February 1995	(1,071,336)	(963,386)
Retained profit(loss) for the year	439,239	(107,950)
	<hr/>	<hr/>
At 31st January 1996	£ (632,097)	£(1,071,336)
	<hr/>	<hr/>
16. SHAREHOLDERS' FUNDS		
Reconciliation of movement in shareholders' funds		
Opening shareholders' funds	(533,236)	(425,286)
Increase(decrease) in shareholders' funds - retained profit(loss)	439,239	(107,950)
	<hr/>	<hr/>
Closing shareholders' funds	£(93,997)	£(533,236)
	<hr/>	<hr/>
17. PENSION COMMITMENTS		
The Company operates a defined contributions pension scheme for the benefit of the employees. The cost of the scheme is borne by the Company and the employees are not required to make any contributions.		
18. CAPITAL COMMITMENTS	1996	1995
Contracted	£ -	£ -
	<hr/>	<hr/>
Not contracted	£240,000	£150,000
	<hr/>	<hr/>
19. SUBSIDIARY		
Grange Farm (Bulmer) Limited has not been consolidated as it would not be material in giving a true and fair view.		

CASTLE HOWARD ESTATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

20. CASH FLOW STATEMENT

- a. Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	356,333	88,504
Depreciation	117,603	133,029
Profit on sale of tangible fixed assets	(245,684)	(5,055)
Stocks	(14,412)	39,722
Debtors	(107,270)	(2,491)
Creditors	390,849	91,306
	<hr/>	<hr/>
Net cash inflow from operating activities	£497,419	£345,015
	<hr/>	<hr/>

- b. Analysis of changes in cash and cash equivalents during the year

Balance at 1st February 1995	(22,337)	181,599
Net cash inflow(outflow)	557,166	(203,936)
	<hr/>	<hr/>
Balance at 31st January 1996	£534,829	£(22,337)
	<hr/>	<hr/>

- c. Analysis of the balances of cash and cash equivalents as shown in the Balance Sheet

	1996	1995	Change in year	1996	1994	Change in period
Cash at bank	615,931	455,309	160,622	455,309	667,000	(211,691)
Cash in hand	4,308	5,765	(1,457)	5,765	4,357	1,408
Bank overdraft	(85,410)	(483,411)	398,001	(483,411)	(489,758)	6,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£534,829	(22,337)	557,166	(22,337)	181,599	(203,936)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>