

Leeds Castle Foundation
Report and financial statements
for the year ended 26 March 2000

Company Registered Number 1172263
Charity Registered Number 268354



Leeds Castle Foundation
Report and financial statements
for the year ended 26 March 2000
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LEEDS CASTLE FOUNDATION AND SUBSIDIARY
CHAIRMAN'S STATEMENT

The prime responsibility of the Trustees of the Leeds Castle Foundation is to preserve the Castle and Park for the enjoyment of future generations and to do so in a way that as far as possible preserves the essential character of the heritage left by the Castle's last private owner, Olive Lady Baillie. We depend on the revenue provided by our day visitors, our conferences and our other activities, all of which have to be conducted in a way consistent with the trust with which we have been charged. Last year was particularly challenging for those of us working in an increasingly competitive environment for the nation's Historic Houses. Against this background it was gratifying to see a recovery in our day visitor numbers to 476,409, 4% ahead of the previous year and reflecting no doubt both our efforts to improve the value we offer to visitors and the impact of some high-profile media coverage. In addition to our traditional entertainments the concerts by Sir Elton John were a well-publicised success and the 'Great Estates' television series demonstrated what an interesting and varied range of activities are carried on at Leeds Castle. However, the tourism market remains a challenging environment with strong competition between attractions and the strength of sterling evidently tending to discourage overseas visitors. Margins are being put under pressure and it is clear that careful management of the business will be needed to maintain the commercial success so necessary for both our maintenance and development needs. It is only through continued investment that we will be able to maintain the quality of the experience we offer in years to come.

In pursuit of our principal charitable objective, the opening of the Castle and its grounds to the public, last year saw a major enhancement of the attractions in the Park with the opening by HRH Princess Alexandra, our Patron, of the Lady Baillie Garden, with sheltered south-facing Mediterranean terraces on what was previously a derelict site. In addition, the Foundation engages in a number of other charitable activities. We make our conference facilities available to other charitable organisations, particularly though not exclusively in the medical field. The Foundation fully funded an important conference entitled Health Challenges Beyond The Year 2000. Organised by one of our medical Trustees, Sir Roger Bannister, this brought together a host of distinguished figures and the published record of some stimulating debates attracted wide and influential interest. On the same basis we supported a conference of the Prince's Trust dealing with the strategic range of their charitable activities, particularly amongst the young. On the cultural front, we shall this year for the second time be supporting Kent young musicians when they present an open air concert at Leeds Castle, something which I hope is on the way to becoming an established annual event.

The last millennium ended, I am glad to say, with an absence of the computer-related disruption so widely predicted. However, the new millennium presents challenges of a different kind. In an era of rapid change we shall need to be both innovative and sensitive in planning developments, and be prepared to invest in the facilities necessary to maintain our position as an Historic House of international reputation. The Park Shop extension and the new Plant Centre will be valuable additions to our assets. We shall need to embrace new technology where it can improve the running of our business and add to the interest and enjoyment of those who visit us.

Finally, a word about Lord Charteris, whose death we heard of with great sadness just before Christmas. A trustee of Leeds Castle Foundation for over twenty years and a distinguished past Chairman of the National Heritage Memorial Fund, he had a particular understanding that the preservation of the natural beauty and tranquillity of Leeds Castle, which he loved, depended upon the success of efficient and appropriate revenue-earning activities. We shall miss the wise advice and humour which he brought to our discussions.

THE RT HON LORD THOMSON OF MONIFIETH, KT
CHAIRMAN

Leeds Castle Foundation

Directors' and Trustees' annual report

The directors who are also the trustees of the charity, present their report and the financial statements for the year ended 26 March 2000.

Full name of the Charity: Leeds Castle Foundation

Governing document: Memorandum and Articles of Association. The Foundation is a company limited by guarantee with a dispensation to omit the word "Limited" from its title.

Charity registration number: 268354

Company registration number: 1172263

Trustees and Directors:

The present Trustees and Directors, and those who served during the year are listed below:

The Rt Hon Lord Thomson of Monifieth, KT, Chairman *

The Hon. Edward Adeane, CVO *

The Lord Armstrong of Ilminster, GCB, CVO *

Sir Roger Bannister, CBE, DM, FRCP

The Lord Boston of Faversham, QC

The Rt Hon Lord Charteris of Amisfield, GCB, GCVO, QSO, OBE (died 23 December 1999) *

Dame Elizabeth Esteve-Coll, DBE

Gerald van der Kemp, Membre de l'Institut

The Rt Hon Lord Kingsdown, KG *

Mr P H T Mimirriss *

The Rt Hon Sir Angus Ogilvy, KCVO *

The Earl of Scarborough *

Dr. J F Stokes, MD, FRCP

Mr James Teacher

Sir John Ure, KCMG, LVO

An asterisk by the name of a Trustee indicates a member of the General Management Committee.

Registered office: 9 Cheapside, London, EC2V 6AD

Bankers: Lloyds Bank plc, 8 – 10 Waterloo Place, London, SW1Y 4BS

Solicitors: Allen & Overy, One New Change, London, EC4M 9QQ

Auditors: PricewaterhouseCoopers, 1 Embankment Place, London, WC2N 6NN

Investment advisers: Cazenove Fund Management, 3 Cophall Avenue, London, EC2R 7HH

Leeds Castle Foundation

Principal activities and objectives of the charity

The principal activities of the Charity are the preservation for the public benefit of Leeds Castle and the land comprised in a gift bequeathed by the late Hon. O C Lady Baillie and the use of the Castle and park land for charitable purposes.

In order to achieve the objectives of the Charity, the Trustees regard the following as being of particular importance:

A well managed and adequately staffed operating subsidiary which can take advantage of the commercial opportunities offered by the Castle and grounds.

An emphasis on high standards of maintenance in the Castle and grounds.

The use of expert professional advisers on matters of finance, investment and health and safety.

Strategic investment to ensure that the facilities offered to visitors are of a high quality.

A close attention to all matters affecting health and safety of visitors and employees.

Organisation

The full Board of Trustees meet four times per annum to discuss policy, review the progress of the Charity and plan for the future. The Trustees have delegated to the General Management Committee, chaired by Lord Thomson, the authority to manage the business of the Charity.

The Charity continues to make full use of its wholly owned operating subsidiary in the furtherance of its charitable objectives. The Board of the subsidiary reports formally to the Board of the Charity at each of its quarterly meetings and to the General Management Committee three times per annum.

Development, activities and achievements of the year

The main activity of the Charity continues to be the admission of visitors to the Castle and grounds. 1999/2000 saw 476,000 visitors, and all the commercial activities of the subsidiary continued to prosper. The company continued to spend heavily on the maintenance of the Castle and other buildings and the various amenities available to visitors in the grounds.

The Charity does not place reliance on donations of any kind, its only sources of income being the trading subsidiary and the dividends and realised gains generated by its investment portfolio.

The financial performance during the year of the Charity and its subsidiary is considered to have been satisfactory. After paying for the costs of the Charity and its subsidiary and carrying out a heavy maintenance programme there was still a contribution to the funding of major development projects. Details are given in note 9 to the financial statements. The Charity does not rely upon the realisation of gains on investments to meet day to day expenditures, and given that it was established in perpetuity and its reliance on the income of its trading subsidiary, it is essential that such gains are largely reinvested to ensure that the activities of the Charity may continue despite any possible downturn in commercial activity or other unforeseen events.

Leeds Castle Foundation

The financial position of the Charity and its subsidiary at the balance sheet date is considered to be entirely satisfactory. The Trustees anticipate having available sufficient funds to invest in any new facilities which can reasonably be envisaged. From early indications in the new financial year it is expected that the subsidiary company will continue to trade satisfactorily, that obligations will be met as they arise and that the maintenance programme will continue to be financed from the subsidiary's income and the dividend income of the investment portfolio.

All the investments held by the Charity have been acquired in accordance with the powers available to the Trustees.

With the exception of the Heritage Fund, which is a Permanent Endowment Fund, the assets of the various Funds are available to the Trustees for expenditure at their discretion in the furtherance of their charitable objectives. It remains their policy, however, to finance expenditure from current revenues as far as possible.

Donations

During the year the Charity made donations to UK charities totalling £17,065 (1999: £2,999).

Year 2000 issues

The group has, since the turn of the year, experienced no disruption or malfunctions attributable to its own computer systems or equipment with embedded date-reliant computer chips.

The lack of disruption involving the group's own systems and equipment is attributed to:

- (a) The analysis of risks begun in 1998 to determine the impact of the year 2000 problem on the group's activities; and
- (b) The consequent modifications to, or replacement of, hardware and software suspected of harbouring faulty date reliant software or computer chips carried out during the first half of 1999.

The total cost of completing modifications to the group's computer hardware and software suspected of harbouring faulty date-reliant software was not significant.

Employment involvement and disabled persons

Throughout the group there is a close consultation between management and other employees on matters of concern with a view to keeping employees well informed about the progress and position of the group's activities. It is group policy to give full and fair consideration to the employment of applicants who are disabled persons with suitable aptitudes and abilities.

Leeds Castle Foundation

Statement of Directors' and Trustees' responsibilities

The Directors and Trustees are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and the group as at the end of the financial year and of incoming resources and application of resources and cash flows of the group for that year.

The Directors and Trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 26 March 2000. The Directors and Trustees also confirm that applicable accounting standards and statements of recommended practice have been followed and that the financial statements have been prepared on the going concern basis.

The Directors and Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 1985, for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and breaches of law and regulations.

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office and a proposal concerning their reappointment will be put to the Annual General Meeting.

By order of the Board



H P Ashbee
Secretary
2 July 2000

Leeds Castle Foundation

Report of the auditors to the Trustees of Leeds Castle Foundation

We have audited the financial statements on pages 6 to 27.

Respective responsibilities of trustees, directors and auditors

The trustees who are also directors of Leeds Castle Foundation are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

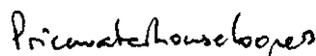
Basis of audit opinion

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 charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's and group's affairs as at 26 March 2000 and of the net incoming resources and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

London
2 July 2000

Leeds Castle Foundation

Consolidated statement of financial activities for the year ended 26 March 2000

	Notes	Unrestricted funds £	Permanent endowment fund £	Total funds 2000 £	Total funds 1999 £
Incoming resources					
Income from fixed asset investments	5	169,259		169,259	159,037
Bank interest receivable	5	72,933		72,933	59,218
Rental income	5	75,782		75,782	63,743
		317,974		317,974	281,998
Income of trading subsidiary supporting charitable activities of Leeds Castle Foundation					
Admission fees	2	2,696,683		2,696,683	2,523,572
Special events	2	510,231		510,231	496,119
		3,206,914		3,206,914	3,019,691
Other income of trading subsidiary		4,365,592		4,365,592	3,857,157
Total income of trading subsidiary	2	7,572,506		7,572,506	6,876,848
Expenditure of trading subsidiary	2	(7,148,206)		(7,148,206)	(6,396,291)
		424,300		424,300	480,557
Total incoming resources		742,274		742,274	762,555
Resources expended					
Direct charitable expenditure:					
- Property maintenance expenditure	3	(349,246)		(349,246)	(313,990)
- Management and administration of charity	3	(309,990)		(309,990)	(237,388)
Taxation	7	(1,319)		(1,319)	(1,704)
Total resources expended		(660,555)		(660,555)	(553,082)
Net incoming resources		81,719		81,719	209,473
Gains/(losses) on investments:					
- Realised	18	(29,535)		(29,535)	(165,253)
- Unrealised	18	1,165,473		1,165,473	141,207
Profit on sale of fixed assets	18	246,327		246,327	-
Net movement in funds		1,463,984		1,463,984	185,427
Total funds brought forward		15,554,922	1,563,906	17,118,828	16,933,401
Total funds carried forward		17,018,906	1,563,906	18,582,812	17,118,828

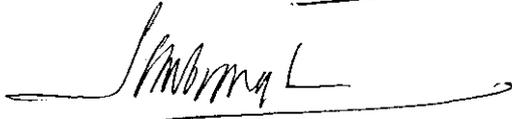
The notes on pages 10 to 27 form part of these financial statements.

Leeds Castle Foundation

Consolidated balance sheet as at 26 March 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	10	10,805,451	10,536,389
Investments	12	7,288,775	6,188,742
		18,094,226	16,725,131
Current assets			
Stocks	13	581,107	701,573
Debtors	14	620,636	534,988
Cash at bank and in hand	15	630,816	331,713
		1,832,559	1,568,274
Creditors: amounts falling due within one year	16	(1,247,847)	(1,061,593)
Net current assets		584,712	506,681
Total assets less current liabilities		18,678,938	17,231,812
Creditors: amounts falling due after more than one year	17	(96,126)	(112,984)
Net assets		18,582,812	17,118,828
Funds			
Permanent endowment			
- Heritage	18	1,563,906	1,563,906
Unrestricted			
- Endowment	18	10,030,662	8,844,462
- Development	18	6,425,162	6,120,551
- Property maintenance		268,000	268,000
- General		295,082	321,909
	18	18,582,812	17,118,828

The financial statements on pages 6 to 27 were approved by the board of trustees and directors on 2 July 2000 and were signed on its behalf by:

)
) Trustees and Directors
)

Leeds Castle Foundation

Balance sheet as at 26 March 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	10	10,372,957	10,128,521
Investments:			
- Subsidiary company	11	366,100	366,100
- Other	12	7,288,775	6,188,742
		18,027,832	16,683,363
Current assets			
Debtors	14	219,579	217,802
Cash at bank and in hand	15	497,606	314,210
		717,185	532,012
Creditors: amounts falling due within one year	16	(184,042)	(108,246)
Net current assets		533,143	423,766
Total assets less current liabilities		18,560,975	17,107,129
Funds			
Permanent endowment			
- Heritage	18	1,563,906	1,563,906
Unrestricted			
- Endowment	18	10,030,662	8,844,462
- Development	18	6,425,162	6,120,551
- Property maintenance		268,000	268,000
- General		273,245	320,210
		18,560,975	17,107,129

Leeds Castle Foundation

Consolidated cash flow statement for the year ended 26 March 2000

	Notes	2000 £	1999 £
Operating activities			
Cash received from customers	26	7,486,858	6,950,346
Cash payments to suppliers	27	(1,885,947)	(1,556,243)
Staff costs	4	(3,432,388)	(3,095,063)
Other cash payments		(1,628,100)	(2,080,129)
Property maintenance expenditure		(349,246)	(313,990)
Net cash inflow/(outflow) from operating activities	23	191,177	(95,079)
Returns on investments and servicing of finance			
Dividends received	5	169,259	159,037
Interest received	5	72,933	59,218
Sundry income	5	75,782	63,743
Interest element of finance lease rentals	8	(12,755)	(12,856)
Net cash inflow from returns on investment and servicing of finance		305,219	269,142
Taxation paid		(1,704)	(18,443)
Capital expenditure and financial investment			
Development projects	9	(304,611)	(303,757)
Purchase of other fixed assets		(190,136)	(372,175)
Proceeds from sale of fixed assets		336,017	21,800
Purchases of fixed asset investments	12	(1,503,852)	(1,112,655)
Proceeds from sales of fixed asset investments		1,782,908	1,861,093
Net cash outflow from capital expenditure and financial investment		120,326	94,306
Net cash inflow/(outflow) before financing		615,018	249,926
Financing			
Repayments of principal under finance leases	29	(52,576)	(71,385)
Increase in cash	24	562,442	178,541

Leeds Castle Foundation

Notes to the financial statements for the year ended 26 March 2000

1 Accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of investments and in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice – 'Accounting by Charities'. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary for the year ended 26 March 2000.

Form of financial statements

The reserves comprise two distinct categories of funds. These categories are:

(a) **Permanent endowment fund**

Heritage fund

This relates to the land, buildings and chattels held by the Foundation for preservation. It was created from the value of the Castle, grounds and Castle contents bequeathed to the Foundation by the late Olive, Lady Baillie less the authorised sale of certain items.

(b) **Unrestricted funds**

Endowment fund

The fund was created from a pecuniary legacy bequeathed by the late Olive, Lady Baillie together with additional funds realised from the authorised sale of certain items included in the original transfer of the property.

The capital and income of the fund are available for expenditure by the Trustees on the Foundation's charitable objectives.

Development fund

This designated fund relates to expenditure incurred on new buildings, the restoration of existing buildings and changes to the infrastructure of the estate carried out to improve the facilities available to members of the public and is financed by amounts transferred out of the operating surplus. It is the policy of the Trustees to finance future capital developments of a substantial nature from operating surpluses so far as is possible.

Leeds Castle Foundation

Property maintenance fund

This designated fund is intended to meet future major maintenance of an irregular nature and any unforeseen emergencies that may arise.

General Fund

The General Fund provides the working capital requirements of the Foundation after specific allocations for Development Fund projects and Property Maintenance Fund projects and reserve increases have been made.

Turnover

Turnover represents total income receivable, excluding value added tax, from admission fees, the sale of goods, services supplied and sundry income.

Investment Income

Dividends and interest on listed investments are accounted for on an accruals basis. The amount shown includes the related tax credits.

Interest on bank deposits is accounted for on an accruals basis.

Pension Scheme arrangements

Leeds Castle Enterprises operates a defined benefit pension scheme. The fund is valued every three years by a professionally qualified independent actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

Fixed assets and depreciation

(a) Castle grounds, freehold land, buildings and castle contents

No depreciation is provided on the value attributable to the assets acquired through the original gift, on other land and buildings held by the holding company, or on assets subsequently added by development expenditure. It is the policy of the company to carry out annually a full repairs and maintenance programme such that, the residual values of these assets based on prices prevailing at the date of acquisition or 1974 valuation, as applicable, are at least equal to their carrying value. Accordingly any depreciation would not be material. Carrying values are reviewed annually and provision is made, if necessary, for any impairment in value.

(b) Owned equipment and motor vehicles

The cost of owned equipment and motor vehicles is written off in equal instalments over a period of four years.

(c) Assets held under finance leases

Assets held under finance leases are depreciated over the shorter of the term of the lease and their expected useful economic lives.

Finance and operating leases

Leeds Castle Foundation

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit or resources expended in proportion to the reducing capital element outstanding.

Investments

Listed investments are included in the balance sheet at market valuation. Appreciation or depreciation arising on the disposal or revaluation of investments is credited to the Endowment Fund. The fees charged for the purchase and sale of investments in the portfolio are included within the Foundation's operating expenses.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Leeds Castle Foundation

2 Net income from trading activities of subsidiary

The Charity has one trading subsidiary, Leeds Castle Enterprises Limited, which is registered in England and Wales. A summary of the company's trading results is shown below:

Profit and loss account

	2000	1999
	£	£
Turnover		
Admission fees	2,696,683	2,523,572
Special events:		
- Open air concerts	510,231	496,119
- Other special events	369,654	86,675
Catering	2,133,755	1,916,710
Conferences	536,864	561,710
Shop trading	1,072,535	1,064,150
Golf	201,285	187,927
Plants and garden products	45,544	34,946
Sundry revenues	5,955	5,039
	7,572,506	6,876,848
Net operating expenses	(7,148,206)	(6,396,291)
Gross profit	424,300	480,557
Interest receivable	24,092	32,448
Interest payable to Leeds Castle Foundation on long term loan	(29,280)	(29,280)
Net profit	419,112	483,725
Amount covenanted to Leeds Castle Foundation (see note 11)	(314,305)	(354,697)
	104,807	129,028
Taxation	(20,954)	(24,829)
	83,853	104,199
Retained profit brought forward	11,699	-
	95,552	104,199
Dividend paid to Leeds Castle Foundation	(93,500)	(92,500)
Profit retained in subsidiary	2,052	11,699

Leeds Castle Foundation

3 Analysis of total resources expended

	Staff costs	Other costs	Total	1999
	£	£	£	£
Direct charitable expenditure				
Property maintenance	32,287	316,959	349,246	313,990
Management and administration of Charity	140,555	169,435	309,990	237,388
	172,842	486,394	659,236	551,378

4 Net operating expenses

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Change in stocks of consumables and goods for resale	120,466	(70,378)	-	-
Purchases of consumables and goods for resale	1,765,481	1,626,621	-	-
Staff costs	3,432,388	3,095,063	172,842	129,705
Depreciation of tangible fixed assets	183,352	166,790	-	-
Other operating charges	1,956,509	1,815,583	137,148	107,683
	7,458,196	6,633,679	309,990	237,388

5 Investment income

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Income from fixed asset investments	169,259	159,037	282,394	274,662
Bank interest receivable	72,933	59,218	48,841	26,770
Loan interest receivable from subsidiary	-	-	29,280	29,280
Rental income	75,782	63,743	75,782	63,743
	317,974	281,998	436,297	394,455

Leeds Castle Foundation

6 Employees

Staff costs during the year were:

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Permanent staff costs	2,376,573	2,101,173	122,438	87,629
Casual staff costs	692,201	657,936	-	-
Social security costs	223,850	205,127	12,777	8,744
Other pension costs	139,764	130,827	37,627	33,332
	3,432,388	3,095,063	172,842	129,705

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

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Full time	119	109	5	3
Part time	227	216	-	-
	346	325	5	3

The number of employees earning in excess of £40,000 was as follows:

	Group		Company	
	2000	1999	2000	1999
£50,001 to £60,000	1	2	-	-
£60,001 to £70,000	2	1	1	1
£90,001 to £100,000	-	1	-	-
£100,001 to £110,000	1	-	-	-
	4	4	1	1

Leeds Castle Foundation

Trustees and Directors of the Charity

Remuneration

No remuneration was paid to the Trustees and Directors during this period or the previous period.

Expenses reimbursed

Travel, subsistence and entertainment costs amounting to £2,970 (1999: £3,019) were reimbursed to one Trustee.

Transactions with connected parties

Fees totalling £14,050 (1999: £3,300) for legal services were paid to Allen & Overy of which firm Mr P H T Mimpriss is a partner.

7 Taxation

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Corporation tax payable at 20% (1999: 21%)	1,319	1,704	-	-

8 Net incoming resources

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Net incoming resources are stated after crediting:				
Rent receivable	75,782	63,743	75,782	63,743
Profit/(loss) on sale of fixed assets	253,865	(18,797)	246,327	-
and after charging:				
Depreciation on owned assets	127,195	112,218	-	-
Depreciation on assets held under finance leases	56,157	54,572	-	-
Charges paid on finance leases	12,755	12,856	-	-
Hire of plant and equipment – operating leases	21,488	20,509	-	-
Auditors' remuneration	26,000	26,000	8,320	8,320
Auditors' remuneration for non-audit services	22,075	11,455	12,425	5,590

Leeds Castle Foundation

9 Development expenditure

	2000	1999
	£	£
Park shop extension/plant centre	94,089	-
Estate office extension	74,037	-
Castle improvements	31,104	15,028
Landscaping of the grounds	24,857	41,805
Aviary shop and information point	21,373	-
Golf course – various improvements	17,038	-
Culpeper Garden paths	10,954	-
Wykeham Martin Centre remodelling	10,847	19,479
Grotto enhancement	4,327	-
Broomfield Road widening	4,000	-
Cricket pavilion rebuilding	-	12,809
Castle bedroom and bathroom re-equipping	-	10,039
New garden construction	-	194,786
Miscellaneous minor projects	11,985	9,811
Total development expenditure (see note 10)	304,611	303,757

Leeds Castle Foundation

10 Tangible fixed assets

Group

	Castle grounds & buildings £	Castle contents £	Freehold land and buildings £	Equipment and motor vehicles £	Total £
Cost or valuation					
At Estate Duty Valuation 1974	500,000	867,586	-	-	1,367,586
At cost	6,089,624	520,347	2,150,964	1,812,613	10,573,548
At 29 March 1999	6,589,624	1,387,933	2,150,964	1,812,613	11,941,134
Additions	304,611	21,977	-	207,978	534,566
Disposals	-	-	(82,152)	(63,865)	(146,017)
At 26 March 2000	6,894,235	1,409,910	2,068,812	1,956,726	12,329,683
Depreciation					
At 29 March 1999	-	-	-	1,404,745	1,404,745
Charge for year	-	-	-	183,352	183,352
Eliminated in respect of disposals	-	-	-	(63,865)	(63,865)
At 26 March 2000	-	-	-	1,524,232	1,524,232
Net book value					
At 26 March 2000	6,894,235	1,409,910	2,068,812	432,494	10,805,451
At 28 March 1999	6,589,624	1,387,933	2,150,964	407,868	10,536,389

Equipment and motor vehicles £432,494 (1999: £407,868), shown above, are wholly owned by Leeds Castle Enterprises Limited and includes an amount of £152,425 (1999: £168,763) in respect of assets held under finance leases. All other assets shown above are wholly owned by Leeds Castle Foundation.

Comprised within the assets owned by the Foundation are the Castle grounds, the ancient Castle buildings and their contents, and more recent structures now used for the purposes of the subsidiary's trading activities and the administration of the Charity. These more recent buildings are incidental to the main buildings and the primary charitable purposes. In the opinion of the directors, the value attributable to those buildings which are used for the administrative and trading purposes cannot readily be determined and, in the opinion of the directors, is not significant in the context of the buildings taken as a whole.

Leeds Castle Foundation

Company

	Castle grounds & buildings £	Castle contents £	Freehold land and buildings £	Total £
Cost or valuation				
At Estate Duty Valuation 1974	500,000	867,586	-	1,367,586
At cost	6,089,624	520,347	2,150,964	8,760,935
At 29 March 1999	6,589,624	1,387,933	2,150,964	10,128,521
Additions	304,611	21,977	-	326,588
Disposals	-	-	(82,152)	(82,152)
At 26 March 2000	6,894,235	1,409,910	2,068,812	10,372,957
Depreciation				
At 29 March 1999	-	-	-	-
Charge for year	-	-	-	-
Eliminated in respect of disposals	-	-	-	-
At 26 March 2000	-	-	-	-
Net book value				
At 26 March 2000	6,894,235	1,409,910	2,068,812	10,372,957
At 28 March 1999	6,589,624	1,387,933	2,150,964	10,128,521

11 Investment in subsidiary company

	2000 £	1999 £
Ordinary shares of £1 each at cost	100	100
8% unsecured loan stock 2005	366,000	366,000
	366,100	366,100

A deed of covenant has been entered into between the Foundation and the subsidiary whereby the subsidiary makes a donation to the Foundation each year. The subsidiary's accounts have been consolidated with the Foundation's accounts.

12 Fixed asset investments

These are listed investments including Certificates of Deposit and other investment portfolio cash balances and are held on account of the unrestricted Endowment Fund.

Leeds Castle Foundation

	2000	1999
	£	£
Market value of listed investments at 29 March 1999	5,782,022	6,554,506
Less: Disposals at opening book value	(1,812,443)	(2,026,346)
Add: Acquisitions at cost	1,503,852	1,112,655
Net gains on revaluation at 26 March 2000	1,165,473	141,207
Market value at 26 March 2000	6,638,904	5,782,022
Cash holdings at 26 March 2000	649,871	406,720
Total value of fixed asset investments	7,288,775	6,188,742
Historical cost value of assets	4,967,346	4,478,588

At 26 March 2000 the market value of the investments split between UK investment assets and overseas assets was as follows:

	2000	1999
	£	£
UK investments	4,743,093	4,526,590
Overseas investments	1,895,811	1,255,432
	6,638,904	5,782,022
Cash	649,871	406,720
Total value of investments at 26 March 2000	7,288,775	6,188,742

The portfolio contains a broad spectrum of quoted investments. No single investment exceeds 5% by value of the total portfolio.

Leeds Castle Foundation

13 Stocks

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Goods for resale	540,154	661,250	-	-
Consumables	40,953	40,323	-	-
	581,107	701,573	-	-

14 Debtors

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Amounts falling due within one year:				
Amounts due from subsidiary	-	-	-	76,011
Trade debtors	186,376	186,809	-	-
Other debtors	182,546	83,053	74,068	32,702
Prepayments and accrued income	106,203	117,688	-	-
Tax recoverable on dividends	44,368	27,508	44,368	27,508
Tax recoverable, deducted from donation	101,143	119,930	101,143	81,581
	620,636	534,988	219,579	217,802

15 Cash at bank and in hand

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Cash at bank and in hand	385,758	321,224	370,935	307,254
Deposits	245,058	10,489	126,671	6,956
	630,816	331,713	497,606	314,210

Leeds Castle Foundation

16 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank overdrafts	156,380	176,568	-	-
Trade creditors	206,791	172,172	30,656	8,199
Amounts owed to subsidiary	-	-	18,529	-
Other taxation and social security payable	76,668	97,860	-	-
Other creditors	248,188	141,278	7,502	4,393
Accruals and deposits received in advance	440,309	309,825	127,355	57,305
Provision for corporation tax payable	1,319	1,704	-	-
Taxation due to Inland Revenue	71,835	119,930	-	38,349
Obligations under finance leases	46,357	42,256	-	-
	1,247,847	1,061,593	184,042	108,246

17 Creditors: amounts falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Obligations under finance leases:				
- Due in the second to fifth years inclusive	96,126	101,391	-	-
- Due after five years	-	11,593	-	-
	96,126	112,984	-	-

Leeds Castle Foundation

18 Funds

	Unrestricted endowment fund	Unrestricted development fund	Other unrestricted funds	Total unrestricted funds	Permanent endowment/ heritage fund	Total funds
	£	£	£	£	£	£
Fund balances at 26 March 2000 are represented by:						
Tangible fixed assets	2,611,136	6,394,235	432,494	9,437,865	1,367,586	10,805,451
Investments	7,288,775	-	-	7,288,775	-	7,288,775
Current assets	130,751	30,927	1,474,561	1,636,239	196,320	1,832,559
Liabilities	-	-	(1,343,973)	(1,343,973)	-	(1,343,973)
At 26 March 2000	10,030,662	6,425,162	563,082	17,018,906	1,563,906	18,582,812
Movement of funds during the year:						
Balance of funds at 29 March 1999	8,844,462	6,120,551	589,909	15,554,922	1,563,906	17,118,828
Net incoming resources	-	-	81,719	81,719	-	81,719
Realised losses on investments	(29,535)	-	-	(29,535)	-	(29,535)
Unrealised gains on investments	1,165,473	-	-	1,165,473	-	1,165,473
Profit on disposal of fixed assets	246,327	-	-	246,327	-	246,327
Development expenditure (note 9)	(196,065)	304,611	(108,546)	-	-	-
Balance of funds at 26 March 2000	10,030,662	6,425,162	563,082	17,018,906	1,563,906	18,582,812

19 Capital

The company is limited by guarantee and does not have a share capital. The liability of each member is limited to £1.

20 Financial commitments

At 26 March 2000 the group had annual commitments on non-cancellable operating leases of plant and equipment as follows:

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Leases expiring:				
- Within one year	7,744	7,552	-	-
- Within the second to fifth years inclusive	12,951	11,417	-	-
- After more than five years	-	1,650	-	-
	20,695	20,619	-	-

Leeds Castle Foundation

21 Pension scheme

Leeds Castle Foundation operates a defined benefit scheme providing benefits based on final pensionable pay for employees of Leeds Castle Foundation and its subsidiary, Leeds Castle Enterprises Limited. The assets of the scheme are held separately from those of Leeds Castle Foundation in independent funds.

The main scheme, the Leeds Castle Retirement Benefit Scheme, is valued every three years by an independent qualified actuary. The latest actuarial valuation prior to the year end was carried out as at 1 April 1998. The 1998 valuation used the projected unit method and showed that the actuarial value of the scheme's assets represented 111% of the benefits that had accrued to members at that date after allowing for future increases in earnings and pensions in payment. The market value of the scheme's assets at that time was £47,600 for the company (£1,243,000 for the group).

The principal assumptions were that, over the long term, the rate of return on investments would exceed the rate of increase in salaries by 2% and that there would be no increase in the rate of pensions.

Pension costs are charged to the revenue account so as to spread the cost of pensions over employees' expected working lives with the group. The pension cost for the year was £8,290 (1999: £5,999) for the company, and £101,935 (1999: £95,084) for the group. Other pension costs represent ex-gratia payments and personal pension plans for certain individual employees, which in aggregate amounted to £29,337 (1999: £27,333) for the company and £37,829 (1999: £35,743) for the group.

22 Capital commitments and contingent liability

At 26 March 2000 the company and the group had no contractual commitments for development expenditure (1999: none).

Provided the company continues to preserve for the public benefit both Leeds Castle and the grounds comprised in the gift by the late Olive, Lady Baillie in pursuance of the undertakings given to H M Treasury the contingent liability to Estate Duty in respect of the gift will not arise.

Leeds Castle Foundation

23 Reconciliation of operating profit to net cash inflow from operating activities

	2000	1999
	£	£
Total income of trading subsidiary	7,572,506	6,876,848
Expenditure of trading subsidiary and direct charitable net operating expenses	(7,458,196)	(6,633,679)
Operating profit	114,310	243,169
Finance lease charges	12,755	12,856
Depreciation charges on fixed assets	183,352	166,790
(Profit)/loss on sale of fixed assets included in operating profit above	(7,538)	18,797
Other cash movements:		
- Decrease/(increase) in stocks	120,466	(70,378)
- (Increase)/decrease in debtors	(85,648)	73,498
- Increase/(decrease) in creditors	202,726	(225,821)
- Property maintenance expenditure	(349,246)	(313,990)
Net cash inflow/(outflow) from operating activities	191,177	(95,079)

24 Reconciliation of net cash flow to movement in net funds

	2000	1999
	£	£
Increase in cash in the period	562,442	178,541
Cash outflow from reduction in lease financing	52,576	71,385
	615,018	249,926
New finance leases	(39,819)	(166,045)
	575,199	83,881
Net funds at beginning of year	406,625	322,744
Net funds at the end of year	981,824	406,625

Leeds Castle Foundation

25 Analysis of changes in net funds

	At 29 March 1999 £	Cash flow £	Other non-cash charges £	At 26 March 2000 £
Cash at bank and in hand	331,713	299,103	-	630,816
Overdraft	(176,568)	20,188	-	(156,380)
	155,145	319,291	-	474,436
Finance leases	(155,240)	52,576	(39,819)	(142,483)
Cash investments	406,720	243,151		649,871
	406,625	615,018	(39,819)	981,824

26 Cash received from customers

	2000 £	1999 £
Opening debtors	534,988	608,488
Add: Turnover	7,572,506	6,876,848
Less: Closing debtors	(620,636)	(534,988)
Cash received from customers	7,486,858	6,950,346

27 Cash payments to suppliers

	2000 £	1999 £
Opening stock	701,573	631,195
Add: Purchases	1,765,481	1,626,621
Less: Closing stock	(581,107)	(701,573)
Cash payments to suppliers	1,885,947	1,556,243

Leeds Castle Foundation

28 Creditors

	In/Out flow 2000 £	In/Out flow 1999 £
Increase/(decrease) in creditors	186,254	(353,707)
Movement in:		
- Overdraft	20,188	120,579
- Provision for corporation tax	385	16,738
- Obligations under finance leases	(4,101)	(9,432)
Increase/(decrease) in creditors	202,726	(225,821)

29 Obligations under finance leases

	2000 £	1999 £
Balance at beginning of period	155,240	60,580
New leases during the period	39,819	166,045
Repayment of principal	(52,576)	(71,385)
Balance at end of period	142,483	155,240

30 Related party transactions

There were no material related party transactions.

31 Net income for the financial year

As permitted by Section 230 of the Companies Act 1985, the parent company's statement of financial activities has not been included in these financial statements. The parent company's net income for the financial year was £1,473,631 (1999: £173,728).