

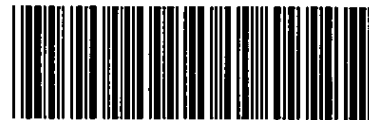
Herstmonceux Castle Enterprises Limited

Registered number 2902475

Directors' report and financial statements

For the year ended 30 April 2011

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HERSTMONCEUX CASTLE ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	A Montgomery D Baldwin B Trenowden A Harrison
Company secretary	A Montgomery
Registered office	Herstmonceux Castle Hailsham East Sussex BN27 1RN
Auditors	Mazars LLP Chartered Accountants & Statutory Auditors 37 Frederick Place Brighton BN1 4EA
Company number	2902475

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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HERSTMONCEUX CASTLE ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2011

The directors present their report and the financial statements for the year ended 30 April 2011

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and 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.

Principal activities

The principal activities of Herstmonceux Castle Enterprises Limited (HCE) remained unchanged during the year. The company's income is derived from the general day to day running of Herstmonceux Castle and its grounds.

Business Review

The profit for the year, after taxation, amounted to £14,072 (2010 - loss £44,850).

This year proved to be a far more encouraging performance than last for HCE, and the summer was the busiest for weddings in the company's history. The knock on effect of buoyant conference and wedding guest numbers was a real increase in revenue from accommodation.

The investment in the tea room, now called Chestnuts, has shown a real benefit in increased turnover but we are reviewing the running costs to ensure that these are kept to a minimum.

For the third year in succession, the numbers of visitors to the gardens and grounds increased by a moderate percentage, but secondary spend in the shop was very much down. The ending of the annual African sculpture exhibition, however, will have a direct impact on visitor numbers in 2011.

Work on the Estate continues, with negotiations completed with English Nature for a substantial grant to continue work on the folly lake and surrounding areas. Final details are still to be agreed but work should start in the autumn of 2011.

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2011

Business review (continued)

A note of caution despite the positive finish this year the recession is still having an impact and forward bookings for conferences and weddings in 2011/12 are down on this current year

Directors

The directors who served from 1 May 2010 until the date of this report, unless otherwise stated, were

A Montgomery
D Baldwin
B Trenowden
R Silverman (appointed 1 May 2010, resigned 31 July 2011)
A Harrison (appointed 1 August 2011)

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 16 SEPTEMBER 2011 and signed on its behalf



A Montgomery
Director

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HERSTMONCEUX CASTLE ENTERPRISES LIMITED

We have audited the financial statements of Herstmonceux Castle Enterprises Limited for the year ended 30 April 2011, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report, including our opinion, has been prepared for and only for the company's members, as a body, in accordance with Sections 495 and 496 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 Auditors' 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 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.

Opinion on the other matter prescribed by the Companies Act 2006

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

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mazars LLP

Mazars LLP, Chartered Accountants (Statutory Auditors)

Richard Hopkins (Senior Statutory Auditor)

37 Frederick Place

Brighton

BN1 4EA

Date

21 September 2011

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2011

	Note	2011 £	2010 £
Turnover	1	653,928	549,868
Cost of sales		(201,973)	(168,498)
Gross profit		451,955	381,370
Administrative expenses		(437,943)	(426,288)
Operating profit/(loss)	2	14,012	(44,918)
Interest receivable	4	60	68
Profit/(loss) on ordinary activities before taxation		14,072	(44,850)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation		14,072	(44,850)
(Loss)/profit brought forward		(35,096)	9,754
Loss carried forward		(21,024)	(35,096)

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and Loss Account

The notes on pages 7 to 11 form part of these financial statements

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Registered number 2902475

BALANCE SHEET

AS AT 30 APRIL 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible fixed assets	6		23,477		27,087
Current assets					
Stocks	7	62,055		54,382	
Debtors	8	35,836		17,688	
Cash at bank		57,773		69,659	
		155,664		141,729	
Creditors: amounts falling due within one year	9	(190,165)		(193,912)	
Net current liabilities			(34,501)		(52,183)
Total assets less current liabilities			(11,024)		(25,096)
Capital and reserves					
Called up share capital	10		10,000		10,000
Profit and loss account			(21,024)		(35,096)
Shareholders' deficit	11		(11,024)		(25,096)

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 September 2011.



A Montgomery
Director

The notes on pages 7 to 11 form part of these financial statements

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis. The directors have considered a period in excess of twelve months in making their assessment that the company is a going concern.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	20%	straight line
Furniture & fittings	-	20%	straight line
Equipment	-	20%	straight line

1.3 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.4 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

1.5 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

2. Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets - owned by the company	7,865	7,139
Auditors' remuneration	3,923	3,944
Auditors' remuneration - non-audit	1,000	950
Hire of plant and machinery - rentals payable under operating leases	1,435	2,381
	<u>14,223</u>	<u>14,414</u>

During the year, no director received any emoluments (2010 - £NIL)

3. Staff costs

Staff costs were as follows

	2011 £	2010 £
Wages and salaries	268,677	270,097
Social security costs	12,895	11,818
	<u>281,572</u>	<u>281,915</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No.
	<u>23</u>	<u>22</u>

4. Interest receivable

	2011 £	2010 £
Bank deposit interest	<u>60</u>	<u>68</u>

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

5. Taxation

	2011 £	2010 £
UK corporation tax charge on the result for the year	-	-

Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (2010 - higher than) the standard rate of corporation tax in the UK (21%). The differences are explained below

	2011 £	2010 £
Profit/loss on ordinary activities before tax	14,072	(44,850)
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2010 - 21%)	2,955	(9,419)
Effects of:		
Utilisation of tax losses	(2,955)	9,419
Current tax charge for the year (see note above)	-	-

6. Tangible fixed assets

	Plant and machinery £	Furniture, fittings and equipment £	Total £
Cost			
At 1 May 2010	51,794	17,786	69,580
Additions	4,255	-	4,255
Disposals	(3,069)	-	(3,069)
At 30 April 2011	52,980	17,786	70,766
Depreciation			
At 1 May 2010	24,707	17,786	42,493
Charge for the year	7,865	-	7,865
On disposals	(3,069)	-	(3,069)
At 30 April 2011	29,503	17,786	47,289
Net book value			
At 30 April 2011	23,477	-	23,477
At 30 April 2010	27,087	-	27,087

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

7. Stocks

	2011 £	2010 £
Finished goods and goods for resale	62,055	54,382

8. Debtors

	2011 £	2010 £
Trade debtors	24,605	8,896
Other debtors	4,239	2,027
Prepayments and accrued income	6,992	6,765
	35,836	17,688

9. Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	35,511	38,979
Amounts owed to parent company	79,915	73,809
Social security and other taxes	3,357	3,856
Other creditors	1,982	1,750
Accruals and deferred income	69,400	75,518
	190,165	193,912

10 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

11. Reconciliation of movement in shareholders' deficit

	2011 £	2010 £
Opening shareholders' (deficit)/funds	(25,096)	19,754
Profit/(loss) for the year	14,072	(44,850)
Closing shareholders' deficit	(11,024)	(25,096)

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2011

12. Related party transactions

The company is a wholly owned subsidiary of Bader International Study Centre. The ultimate controlling party is Queen's University, Canada. The company has taken advantage of the FRS 8 exemption not to disclose other intra-group transactions.

13. Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary of Bader International Study Centre, a company limited by guarantee.

The largest group in which the results of the company are consolidated is that headed by Queen's University, incorporated in Canada. The consolidated accounts of this company are available to the public and may be obtained from Queen's University, Kingston, Ontario.

The smallest group in which the results of the company are consolidated are those of its parent, Bader International Study Centre, Herstmonceux Castle, Hailsham, East Sussex, BN27 1RN.