

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

2902475

Financial Statements - 30 April 2009

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COMPANIES HOUSE

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

General information

DIRECTORS

A Montgomery
D Baldwin
P Deane
B Trenowden

SECRETARY

A Montgomery

REGISTERED OFFICE

Herstmonceux Castle
Hailsham
East Sussex
BN27 1RN

AUDITORS

Mazars LLP
37 Frederick Place
Brighton
BN1 4EA

REGISTERED NUMBER

2902475

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 30 April 2009.

STATEMENT OF 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 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; and
- 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Each director has taken all steps that they ought to have taken in order to make themselves aware of any information relevant to the audit, establish that auditors are aware of that information and that there is no information relevant to the audit of which the company's auditors are unaware.

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

This year proved to be a better year overall for HCE. The increase in advertising and promotion of facilities within the Castle have shown good results and the continuing buoyant wedding market, together with a good conference season, has helped to boost turnover.

For the second year running the number of visitors to the gardens and grounds have increased by a moderate percentage (19%) and much of this is due to the ongoing local radio advertising aimed at local visitors and holding on to the coach tour trade despite the increase in coach travel costs.

The conference office is working with the tourism team to look at ways of increasing visitor numbers through additional special events, shows and exhibitions in the grounds for the 2009 season, including a welcome return of the Zimsculpt Exhibition.

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Directors' Report (continued)

BUSINESS REVIEW (continued)

Work on the Estate continues with a further extension of the woodland land grant and plans to develop a market garden to produce fresh produce for the kitchen. Revenue from the sale of timber and sundry items and the monies from the grants do now help to offset some of the running costs of land husbandry on the estate.

DIRECTORS

The directors who held office during the year are as stated below. The directors have held office during the period from 1 May 2008 to the date of this report unless otherwise stated:

A Montgomery
B Trenowden
D Baldwin
P Deane

POLITICAL AND CHARITABLE CONTRIBUTIONS

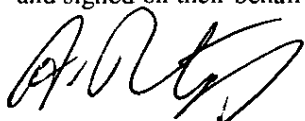
The company made no political contributions or charitable donations either in the year or the previous year.

AUDITORS

A resolution to re-appoint Mazars LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 6 November 2009
and signed on their behalf by



A Montgomery
Secretary

Herstmonceux Castle
Hailsham
East Sussex
BN27 1RN

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

We have audited the financial statements of Herstmonceux Castle Enterprises Limited for the year ended 30 April 2009 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 2, 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 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 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.

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 web-site at www.frc.org.uk/apb/scope/UKNP.

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 2009 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HERSTMONCEUX CASTLE ENTERPRISES LIMITED (continued)**

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 (Statutory auditor)

David W Martin (Senior statutory auditor)

37 Frederick Place

Brighton

BN1 4EA

Date *6 November 2009*

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Profit and Loss Account For the Year Ended 30 April 2009

	Notes	2009 £	2008 £
TURNOVER		608,839	513,697
Cost of sales		(173,067)	(139,920)
GROSS PROFIT		435,772	373,777
Administrative expenses		(435,691)	(362,657)
OPERATING PROFIT		81	11,120
Other interest receivable and similar income	4	2,335	4,025
Deed of covenant		(1,592)	(13,966)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		824	1,179
Taxation	5	-	-
RETAINED PROFIT FOR THE YEAR		<u>£824</u>	<u>£1,179</u>

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

The profit on ordinary activities before taxation and the retained profit have been calculated on the historical cost basis.

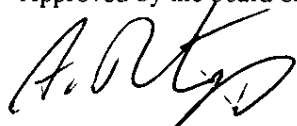
HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Balance Sheet at 30 April 2009

	Notes	£	2009 £	£	2008 £
FIXED ASSETS					
Tangible fixed assets	6		2,040		1,857
CURRENT ASSETS					
Stock	7	43,877		44,694	
Debtors	8	23,890		35,804	
Cash at bank and in hand		110,288		119,561	
		<u>178,055</u>		<u>200,059</u>	
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(160,341)</u>		<u>(182,986)</u>	
NET CURRENT ASSETS			<u>17,714</u>		<u>17,073</u>
NET ASSETS			<u>£19,754</u>		<u>£18,930</u>
CAPITAL AND RESERVES					
Called up share capital	10		10,000		10,000
Profit and loss account	11		<u>9,754</u>		<u>8,930</u>
SHAREHOLDERS' FUNDS			<u>£19,754</u>		<u>£18,930</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on ~~6 November~~ 2009, and signed on their behalf by



A Montgomery - Director

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Notes to the Financial Statements For the Year Ended 30 April 2009

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.

(a) Basis of preparation

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

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

As the company is a wholly owned subsidiary of International Study Centre, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of International Study Centre, within which this company is included, can be obtained from Herstmonceux Castle, Hailsham, East Sussex BN27 1RN.

(b) Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives as follows:

Furniture and fittings	-	20% per annum
Equipment	-	20% per annum
Plant and machinery	-	20% per annum

(c) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stock.

(d) Operating leases

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

(e) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Notes to the Financial Statements For the Year Ended 30 April 2009

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £	2008 £
The profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration: audit	3,550	3,780
Auditors' remuneration: non-audit	850	800
Depreciation	712	534
Hire of plant and machinery - rentals payable under operating leases	2,339	2,256
	<u> </u>	<u> </u>

3 STAFF NUMBERS AND COSTS

None of the directors received any emoluments from the company. The average number of persons employed by the company, excluding directors, during the year was 23 (2008 - 24).

The aggregate payroll costs of these persons were as follows:

	2009 £	2008 £
Wages and salaries	257,676	189,612
Social security costs	10,703	9,347
	<u> </u>	<u> </u>
	£268,379	£198,958
	<u> </u>	<u> </u>

In addition, temporary staff costs of £71,137 (2008 - £20,295) were incurred during the year.

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2009	2008
Bank deposit interest	£2,335	£4,025
	<u> </u>	<u> </u>

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Notes to the Financial Statements For the Year Ended 30 April 2009

5 TAXATION

A Deed of Covenant exists in favour of International Study Centre. Consequently there is no corporation tax liability based upon the results for the year.

	2009 £	2008 £
(a) Analysis of charge in the year		
Current tax:		
UK corporation tax on profits for the year	-	-
	<u>-</u>	<u>-</u>
Total current tax (see (b) below)	-	-
	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for year

The tax assessment for the year is different from the standard rate of corporation tax applicable to the company (21%) (2008 – 19%). The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	824	1,191
	<u>824</u>	<u>1,191</u>
Profit on ordinary activities multiplied by the rate of corporation tax applicable to the company (21%) (2008 – 19%).	173	226
Depreciation in period in excess of capital allowances	(173)	(226)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Notes to the Financial Statements For the Year Ended 30 April 2009

6 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
COST			
At 1 May 2008	23,746	17,786	41,532
Additions	895	-	895
Disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 April 2009	<u>£24,641</u>	<u>£17,786</u>	<u>£42,427</u>
DEPRECIATION			
At 1 May 2008	21,889	17,786	39,675
Charge for year	712	-	712
On disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 April 2009	<u>£22,601</u>	<u>£17,786</u>	<u>£40,387</u>
NET BOOK VALUE			
At 30 April 2009	<u>£2,040</u>	<u>-</u>	<u>£2,040</u>
At 30 April 2008	<u>£1,857</u>	<u>-</u>	<u>£1,857</u>

7 STOCK

	2009	2008
Finished goods and goods for resale	<u>£43,877</u>	<u>£44,694</u>

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Notes to the Financial Statements For the Year Ended 30 April 2009

8 DEBTORS - AMOUNTS DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	18,032	28,287
Other debtors	1,026	1,302
Prepayments and accrued income	4,832	6,215
	<u>£23,890</u>	<u>£35,804</u>

9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	27,249	21,282
Amounts due to parent company	97,250	120,192
Taxation and social security	3,075	2,931
Accruals and deferred income	31,137	37,019
Other creditors	1,630	1,562
	<u>£160,341</u>	<u>£182,986</u>

10 CALLED UP SHARE CAPITAL

	2009	2008
Authorised		
Equity: 20,000 Ordinary shares of £1 each	<u>£20,000</u>	<u>£20,000</u>
Allotted, called up and fully paid		
Equity: 10,000 Ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Notes to the Financial Statements For the Year Ended 30 April 2009

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	Share capital £	Profit and loss account £	Total shareholder's funds £
Balance at 1 May 2007	10,000	7,751	17,751
Profit for the year	-	1,179	1,179
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2008	10,000	8,930	18,930
Profit for the year	-	824	824
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2009	<u>£10,000</u>	<u>£9,754</u>	<u>£19,754</u>

12 RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of International Study Centre. The ultimate controlling party is Queen's University, Canada. The company's parent, International Study Centre, was covenanted the company's taxable profits for the year of £1,592 (2008 - £13,966). The company has taken advantage of the FRS 8 exemption not to disclose other intra-group transactions.

13 COMMITMENTS UNDER OPERATING LEASES

At 30 April 2009, the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2010:

	Other 2009 £	Other 2008 £
Operating leases which expire: Between 2 and 5 years	1,219	1,219
	<hr/>	<hr/>
	<u>£1,219</u>	<u>£1,219</u>

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Notes to the Financial Statements For the Year Ended 30 April 2009

14 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP OF WHICH THE COMPANY IS A MEMBER

The company is a wholly owned subsidiary of 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, International Study Centre, Herstmonceux Castle, Hailsham, East Sussex BN27 1RN.

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Detailed Trading Profit and Loss Account Year Ended 30 April 2009

	2009 £	2008 £
TURNOVER		
Shop	24,440	22,136
Books	40,871	33,392
Bar	29,494	36,113
Bar function	44,238	39,425
Tearoom	44,305	43,353
Public admissions	55,337	44,714
Group and coach bookings	5,391	5,167
Castle tours	6,809	6,750
Accommodation	80,557	69,141
Hotel service	2,595	1,162
Restaurant	46,639	30,823
Conference and functions	96,620	84,718
Conference catering	103,174	78,349
Vending	1,493	1,867
Telephone	1,693	3,549
Equipment hired out	-	168
Land, rent and special events	22,297	12,000
Other	2,886	870
	<u>608,839</u>	<u>513,697</u>
Less cost of sales - per schedule on page 15	(173,067)	(139,920)
GROSS PROFIT	<u>435,772</u>	<u>373,777</u>
Less administrative expenses - per schedule on page 15	(435,691)	(362,657)
OPERATING PROFIT	<u>£81</u>	<u>£11,120</u>

This page does not form part of the statutory financial statements and is unaudited

HERSTMONCEUX CASTLE ENTERPRISES LIMITED

Schedule of Overhead Expenditure Year Ended 30 April 2009

	2009 £	2008 £
COST OF SALES		
Shop purchases	15,751	17,487
Shop book purchases	29,075	19,657
Bar purchases	28,951	28,056
Stock written off	9,992	1,995
Food supplies	81,984	66,829
Hotel service purchases	2,667	537
Chartwells management fee	4,647	5,359
	<u>£173,067</u>	<u>£139,920</u>
ADMINISTRATIVE EXPENSES		
Bed and breakfast supplies	1,610	2,580
Salaries and other staff costs	268,988	198,958
Laundry and cleaning	14,767	15,466
Garden maintenance	2,798	3,499
Printing, postage and stationery	3,280	3,389
Advertising and marketing	22,351	33,651
Telephone	1,575	3,300
Furnishings	3,413	1,497
Equipment hire	2,339	2,256
Equipment maintenance	1,180	4,352
Travel	30	-
Auditors' remuneration	4,400	4,580
Professional fees	260	-
Bank charges	4,059	2,805
Miscellaneous	2,828	827
Licences	1,123	920
Staff uniforms	540	807
Subscriptions and memberships	1,906	2,114
Donations	303	-
Special events	4,464	4,185
Depreciation	713	534
Rent	92,764	76,937
	<u>£435,691</u>	<u>£362,657</u>

This page does not form part of the statutory financial statements and is unaudited