

# Herstmonceux Castle Enterprises Limited

Registered number: 02902475

## **Directors' report and financial statements**

**For the year ended 30 April 2018**

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# HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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## COMPANY INFORMATION

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<b>Directors</b>	P Bowers (resigned 23 February 2018) A McInnes J Purvis K Fountain J Knowles H Christie B-A Bacon (resigned 22 May 2018) T Harris (appointed 23 May 2018)
<b>Company secretary</b>	L Stewart
<b>Registered number</b>	02902475
<b>Registered office</b>	Herstmonceux Castle Hailsham East Sussex BN27 1RN
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor Times House Throwley Way Sutton Surrey SM1 4JQ

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# **HERSTMONCEUX CASTLE ENTERPRISES LIMITED**

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# HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2018

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The directors present their report and the financial statements for the year ended 30 April 2018.

### Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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 activity

The company operates the trading activities of the Herstmonceux Castle Estate, including admission to the Gardens and Grounds and associated activities, conferences, weddings, functions and accommodation.

### Business review

The company enjoyed another successful year, making a profit of just over £81,000.

All revenue areas have contributed to an overall increase in turnover of 20% over last year.

As in previous years the directors propose to distribute the entire taxable profits of Herstmonceux Castle Enterprises Limited to its parent charity Bader International Study Centre.

The directors are satisfied with the performance of the company and are confident that this performance will continue into the future.

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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

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#### Directors

The directors who served during the year were:

P Bowers (resigned 23 February 2018)  
A McInnes  
J Purvis  
K Fountain  
J Knowles  
H Christie  
B-A Bacon (resigned 22 May 2018)  
T Harris (appointed 23 May 2018)

#### Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### Auditor



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

#### Small companies note

In preparing this report, the directors 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 07/01/19 and signed on its behalf.

Director

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# **HERSTMONCEUX CASTLE ENTERPRISES LIMITED**

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HERSTMONCEUX CASTLE ENTERPRISES LIMITED**

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### **Opinion**

We have audited the financial statements of Herstmonceux Castle Enterprises Limited (the 'company') for the year ended 30 April 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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## **HERSTMONCEUX CASTLE ENTERPRISES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HERSTMONCEUX CASTLE ENTERPRISES LIMITED**

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We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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#### Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

*N J Wakefield*

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House  
Throwley Way  
Sutton  
Surrey  
SM1 4JQ

Date: *30 January 2019*



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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018

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	Note	2018 £	2017 £
Turnover		637,858	533,398
Cost of sales		(183,130)	(148,696)
<b>Gross profit</b>		<u>454,728</u>	<u>384,702</u>
Administrative expenses		(373,351)	(307,703)
<b>Operating profit</b>		<u>81,377</u>	<u>76,999</u>
Interest receivable and similar income		81	142
<b>Profit before tax</b>		<u>81,458</u>	<u>77,141</u>
<b>Profit for the year</b>		<u><u>81,458</u></u>	<u><u>77,141</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 10 to 16 form part of these financial statements.


**HERSTMONCEUX CASTLE ENTERPRISES LIMITED**  
**REGISTERED NUMBER: 02902475**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	8	14,470	12,429
		<u>14,470</u>	<u>12,429</u>
<b>Current assets</b>			
Stocks		21,071	20,726
Debtors: amounts falling due within one year	9	36,313	10,642
Bank current accounts		141,479	229,440
		<u>198,863</u>	<u>260,808</u>
Creditors: amounts falling due within one year	10	(101,253)	(159,944)
<b>Net current assets</b>		<u>97,610</u>	<u>100,864</u>
<b>Total assets less current liabilities</b>		<u>112,080</u>	<u>113,293</u>
<b>Net assets</b>		<u><u>112,080</u></u>	<u><u>113,293</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
Profit and loss account		102,080	103,293
		<u>112,080</u>	<u>113,293</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Director   
 Date: 07/01/19

The notes on pages 10 to 16 form part of these financial statements.

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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2017	10,000	103,293	113,293
<b>Comprehensive income for the year</b>			
Profit for the year	-	81,458	81,458
Distribution to parent charity	-	(82,671)	(82,671)
<b>Total transactions with owners</b>	-	(82,671)	(82,671)
<b>At 30 April 2018</b>	<b>10,000</b>	<b>102,080</b>	<b>112,080</b>

The notes on pages 10 to 16 form part of these financial statements.

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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2017

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2016	10,000	108,029	118,029
<b>Comprehensive income for the year</b>			
Profit for the year	-	77,141	77,141
Distribution to parent charity	-	(81,877)	(81,877)
<b>At 30 April 2017</b>	<b>10,000</b>	<b>103,293</b>	<b>113,293</b>

The notes on pages 10 to 16 form part of these financial statements.

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# HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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### 1. General information

Herstmonceux Castle Enterprises Limited is a private company limited by shares and incorporated in the United Kingdom (registered company number 02902475).

The registered and trading address of the company is Herstmonceux Castle, Hailsham, East Sussex, BN27 1RN.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bader International Study Centre as at 30 April 2018 and these financial statements may be obtained from Herstmonceux Castle, Hailsham, East Sussex, BN27 1RN.

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# HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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### 2. Accounting policies (continued)

#### 2.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 20% p.a. straight line
Furniture & fittings	- 20% p.a. straight line
Equipment	- 20% p.a. straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

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# HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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### 2. Accounting policies (continued)

#### 2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

There are no significant judgements made in the application of accounting policies to prepare the financial statements, and there are no accounting estimates with significant estimation uncertainty in the accounts.

### 4. Analysis of turnover

All turnover generated in the year arose within the United Kingdom.

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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 5. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	4,675	4,755
	<u>4,675</u>	<u>4,755</u>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Other services relating to taxation	570	1,800
	<u>570</u>	<u>1,800</u>

#### 6. Employees

The average monthly number of employees during the year was:

2018 No.	2017 No.
14	12
<u>14</u>	<u>12</u>

#### 7. Taxation

The directors propose to distribute the entire taxable profits of Herstmonceux Castle Enterprises Limited to its parent charity Bader International Study Centre, and as such it is anticipated that there will be no tax payable for the year ended 30 April 2018 (2017: £nil).



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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 8. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>			
At 1 May 2017	78,814	17,787	96,601
Additions	8,500	-	8,500
At 30 April 2018	<u>87,314</u>	<u>17,787</u>	<u>105,101</u>
<b>Depreciation</b>			
At 1 May 2017	66,385	17,787	84,172
Charge for the year on owned assets	6,459	-	6,459
At 30 April 2018	<u>72,844</u>	<u>17,787</u>	<u>90,631</u>
<b>Net book value</b>			
At 30 April 2018	<u>14,470</u>	<u>-</u>	<u>14,470</u>
At 30 April 2017	<u>12,429</u>	<u>-</u>	<u>12,429</u>

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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 9. Debtors

	2018 £	2017 £
Trade debtors	30,282	3,701
Other debtors	1,004	2,886
Prepayments and accrued income	5,027	4,055
	<u>36,313</u>	<u>10,642</u>

#### 10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	24,702	19,346
Amounts owed to group undertakings	13,906	61,613
Taxation and social security	2,828	2,660
Other creditors	2,835	2,398
Accruals and deferred income	56,982	73,927
	<u>101,253</u>	<u>159,944</u>

#### 11. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

There are no restrictions attaching to the ordinary shares including in the distribution of dividend or payment of capital.

#### 12. Related party transactions

The company is a wholly owned subsidiary of Bader International Study Centre. The ultimate controlling party is Queen's University, incorporated in Canada. The company has taken advantage of the exemption under FRS 102 not to disclose other intra-group transactions.

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## HERSTMONCEUX CASTLE ENTERPRISES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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#### 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.