

Company Registration No. 00927469 (England and Wales)

Holker Estates Co. Limited

**Annual report and financial statements
for the year ended 31 March 2018**



Holker Estates Co. Limited

Company information

Directors Lord Cavendish
Lady Cavendish
The Hon Miss Lucy Cavendish
Allen Gibb

Company number 00927469

Registered office Cavendish House
Kirkby-in-Furness
Cumbria
LA17 7UN

Independent auditor Saffery Champness LLP
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Bankers Handelsbanken
Kendal Branch
1st Floor East
Bridge Mills
Stramongate
Kendal
LA9 4UB

Holker Estates Co. Limited

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The directors present the strategic report for the year ended 31 March 2018.

Fair review of the business

The activities of the business included the operation of Holker Hall and Gardens, the letting and management of domestic, industrial and agricultural land, holiday park management and the administration of Holker Estate.

Holker Estates Co. Limited performed well in the 2017/18 financial year despite continued uncertainty in various market sectors and pressure on domestic disposable income continuing to impact tourist and visitor spend. Reported turnover is 3% down on prior year with the main change year on year being the cessation of the Holker Garden Festival in June 2016. Despite this turndown, Gross Profit as a percentage of Turnover increased by 2% in the year although the Operating loss is reported as (£139,336) compared to (£96,574) in the previous year due to the relatively fixed nature of Administrative Expenses.

The business reports a Loss after Taxation for the current Financial Year of (£143,250) compared to a profit of £71,166 in the previous year. Importantly however, whilst also reflecting the Garden Festival, the prior year also included £78k of additional interest (note 7) and a £79k Gain (note 9).

Both Holker caravan parks at Old Park Wood and Longlands delivered positive results in 2016/17 with high levels of occupancy and positive new and second-hand caravan and lodge sales.

Holker managed properties are a valuable and important part of the business portfolio providing homes and workplaces to a wide variety of valued tenants. Great pride is taken in maintaining the highest of standards and the Company will continue to invest in this important community related enterprise.

Principal risks and uncertainties

The principal risks to the business relate to the domestic economy, the housing market and climatic conditions. Visitor numbers to Holker Hall and Gardens held steady despite economic pressures and ever-increasing competition from local and national attractions and events. Holker continues to focus on the visitor experience and special events agenda including investment in an eclectic programme for Christmas 2017.

Both caravan parks exceeded target and reported growth on prior years despite challenging market conditions. Holker parks offer a unique feeling of space and tranquillity and this remains an area where we are keen to develop facilities and infrastructure for the greater enjoyment of our valued residents.

The domestic, industrial and farming property portfolio continues to perform to target with rentals and occupancy levels meeting expectations; occupancy levels are consistently around the 100% level.

Moving forward, risk and uncertainties remain the same as prior years and the business continues to focus on new ways of reducing exposure to environmental and market conditions.

Position of the Company at the Year End

Holker Estates Co. Limited closed the year with a Loss after Taxation of (£143,250) compared to a Profit after Taxation of £71,166 in the previous year. As noted above, the prior year results include the Holker Garden Festival and other gains.

Total Assets less Current Liabilities have moved from £87,013 in 2016/17 to (£30,609) in 2017/18. Similarly, Net Assets have moved from a positive £10,941 to (£132,309) in 2017/18. As Holker Estates Company Limited is a both a trading and asset management entity, the Directors are comfortable with this overall position.

Key Performance Indicators


Through the monthly management accounts, the business uses a number of standard and bespoke KPIs to monitor performance. Despite lower revenues, a reduction in Cost of Sales as a percentage of turnover from 21.9% in 2016/17 to 19.9% in 2017/18 has improved Gross Profit from 78.1% in 2016/17 to 80.1% in 2017/18. The key expenditure stream for the business is Administrative Expenses and in the year these were reported at 83.3% of turnover compared to 80.3% in the previous year. Management and Directors are reassured by this overall improvement in efficiency.

Future Developments

Holker Estates Co. Limited continues to perform as the core, primary public facing part of the Holker Group, emphasising everything that is positive about the organisation, its ethos and its values. Holker Estates Co. Limited is extremely proud of the pivotal role it plays in supporting and developing the interests of the local and wider community and the strength of the underlying business is key in maintaining, supporting and growing local and regional residential and business ventures.

Tourism is key to the Lakes and wider Cumbrian economy and in order to further define the Holker footprint, our tourism and leisure strategy remains under constant review. Quality, service and value will be at the forefront in everything we do as the business seeks to reinforce its position as one of the country's best-loved and most accessible Historic Houses supported by a fantastic programme of events across the wider Estate. Holker Estates Co. Limited is proud of its roots in the Cartmel Peninsula and will continue to invest in people, infrastructure, assets and community relationships.

On behalf of the board



The Hon Miss Lucy Cavendish

Director

14.12.18

Holker Estates Co. Limited

Directors' report

For the year ended 31 March 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activities of the company continued to be the operation of Holker Hall and Gardens, the letting and management of domestic, industrial and agricultural land and property, holiday park management and the management of Holker Estate.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Lord Cavendish

Lady Cavendish

Peter Bostock

(Resigned 19 April 2018)

Duncan Peake

(Resigned 26 May 2017)

The Hon Miss Lucy Cavendish

Allen Gibb

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Financial Risk

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, loans to the business and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of the bank balance, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The business makes use of money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Loans comprise interest-free loans from the group companies and connected entities and variable rate loans from financial institutions. The business manages the liquidity risk by ensuring that there are sufficient funds to meet the repayments.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

Holker Estates Co. Limited

Directors' report (continued)

For the year ended 31 March 2018

Future developments

Holker Estate Co. Limited continues to perform at the core of the Holker Group, emphasising everything which is positive about the organisation and its values. The business is at the centre of the wider community and continues to play a pivotal role in supporting and developing the fortunes of the local and wider community.

Auditor

The auditor, Saffery Champness LLP, have expressed their willingness to continue in office and in accordance with section 485 of the Companies Act 2006, they will be put forward for reappointment at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
The Hon Miss Lucy Cavendish

Director

Date:14.12.18.

Directors' responsibilities statement

For the year ended 31 March 2018

The directors are responsible for preparing the annual 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 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 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.

Holker Estates Co. Limited

Independent auditor's report

To the members of Holker Estates Co. Limited

Opinion

We have audited the financial statements of Holker Estates Co. Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 loss 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.

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.

Independent auditor's report (continued)
To the members of Holker Estates Co. Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the 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 strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Holker Estates Co. Limited

Independent auditor's report (continued)
To the members of Holker Estates Co. Limited

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our 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.

Martin Holden (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors



Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

20/12/18

Holker Estates Co. Limited**Statement of comprehensive income
For the year ended 31 March 2018**

	Notes	2018 £	2017 £
Turnover	3	4,390,791	4,544,747
Cost of sales		(871,737)	(994,064)
Gross profit		3,519,054	3,550,683
Administrative expenses		(3,658,390)	(3,647,257)
Operating loss	4	(139,336)	(96,574)
Interest receivable and similar income	7	30,444	108,375
Interest payable and similar expenses	8	(75,192)	(96,740)
Other gains and losses	9	32,419	111,311
(Loss)/profit before taxation		(151,665)	26,372
Tax on (loss)/profit	10	8,415	44,794
(Loss)/profit for the financial year		(143,250)	71,166

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Holker Estates Co. Limited

Balance sheet

As at 31 March 2018

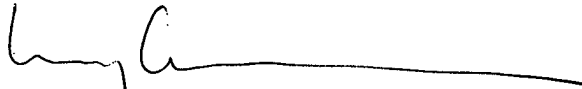
			2018	2017
	Notes	£	£	£
Fixed assets				
Intangible assets	11	-	-	3,327
Tangible assets	12	2,450,096	2,450,096	2,456,001
Investments	13	644,052	644,052	631,932
			<u>3,094,148</u>	<u>3,091,260</u>
Current assets				
Stocks	15	563,636	599,266	
Debtors	16	1,740,868	2,447,640	
Cash at bank and in hand		206,852	57,852	
		<u>2,511,356</u>	<u>3,104,758</u>	
Creditors: amounts falling due within one year	17	(5,636,113)	(6,109,005)	
Net current liabilities			<u>(3,124,757)</u>	<u>(3,004,247)</u>
Total assets less current liabilities			<u>(30,609)</u>	<u>87,013</u>
Creditors: amounts falling due after more than one year	18	(9,357)	(9,357)	-
Provisions for liabilities	21	(92,343)	(92,343)	(76,072)
Net (liabilities)/assets			<u>(132,309)</u>	<u>10,941</u>
Capital and reserves				
Called up share capital	24	10,000	10,000	10,000
Capital redemption reserve	25	12,938	12,938	12,938
Profit and loss reserves	26	(155,247)	(155,247)	(11,997)
Total equity			<u>(132,309)</u>	<u>10,941</u>

Holker Estates Co. Limited

Balance sheet (continued)

As at 31 March 2018

The financial statements were approved by the board of directors and authorised for issue on14.12.18..... and are signed on its behalf by:



.....
The Hon Miss Lucy Cavendish
Director

Company Registration No. 00927469

Holker Estates Co. Limited**Statement of changes in equity
For the year ended 31 March 2018**

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2016	10,000	12,938	(83,163)	(60,225)
Year ended 31 March 2017:				
Profit and total comprehensive income for the year	-	-	71,166	71,166
Balance at 31 March 2017	10,000	12,938	(11,997)	10,941
Year ended 31 March 2018:				
Loss and total comprehensive income for the year	-	-	(143,250)	(143,250)
Balance at 31 March 2018	10,000	12,938	(155,247)	(132,309)

1 Accounting policies

Company information

Holker Estates Co. Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cavendish House, Kirkby-in-Furness, Cumbria, LA17 7UN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Holker Estates Co. Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel. Holker Holdings Limited is the parent of the group in whose consolidated financial statements the results of Holker Estates Co. Limited are included. The consolidated financial statements of Holker Holdings Limited are publically available. The registered office of Holker Holdings Limited is Cavendish House, Kirkby-In-Furness, Cumbria, LA17 7UN.

1.2 Going concern

The company is financially supported by its parent company and fellow subsidiaries for its day-to-day working capital requirements and commitments given to the bank. Included within creditors falling due within one year is an amount of £1,679,763 (2017: £1,095,102) due to fellow group undertakings, which will not be sought for repayment to the detriment of the company.

After confirming the continued support of fellow subsidiaries and associated entities, considering the net assets of the group being £4,791,088 (2017: £4,690,958) and having prepared forecasts, the directors have formed the judgment that, at the time of approving the financial statements, there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for caravan sales, visitor income and rents receivable net of VAT. Turnover is recognised when the company obtains the right to consideration or over the period to which the income relates. Rental income is recognised on a straight line basis over the period of the lease.

Notes to the financial statements (continued)

For the year ended 31 March 2018

1 Accounting policies (continued)

1.4 Intangible fixed assets

Amounts paid in respect of the Company's acquisition of intangible assets are written off in equal annual installments over their estimated useful economic life.

Intangible assets are Basic Payment entitlements and are recognised at the date of purchase.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	not depreciated
Leasehold property improvements	2% - 20% straight line
Plant and machinery	3% - 25% straight line
Motor vehicles	17% - 25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies (continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reversed, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the financial statements (continued)

For the year ended 31 March 2018

1 Accounting policies (continued)

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Grants

The company received income during the year from both the Environmental Stewardship and Basic Payment Schemes.

The Basic Payment Scheme income is recognised once all conditions attached to the Basic Payment Scheme have been met. Income from Environmental Stewardship Schemes is recognised on an accruals basis throughout the period of the Scheme.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Provisions

Provision is made for bad and doubtful debts and obsolete stock. These provisions require management's best estimate of the recoverability of trade debtors and the expected future use of stock.

Holker Estates Co. Limited**Notes to the financial statements (continued)****For the year ended 31 March 2018****3 Turnover and other revenue**

An analysis of the company's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Caravan park sales	2,338,402	2,329,213
Hall and Gardens Sales	349,637	581,059
Rental income	932,490	925,831
Farming and estate income	167,273	109,592
Management fees	572,916	572,916
Other income	30,073	26,136
	<u>4,390,791</u>	<u>4,544,747</u>

	2018	2017
	£	£
Other significant revenue		
Interest income	24,392	103,209
Dividends received	6,052	5,166
	<u> </u>	<u> </u>

	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>4,390,791</u>	<u>4,544,747</u>

4 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	7,800	7,650
Depreciation of owned tangible fixed assets	218,718	285,471
Depreciation of tangible fixed assets held under finance leases	7,513	-
Profit on disposal of tangible fixed assets	(5,000)	(6,181)
Amortisation of intangible assets	3,327	6,367
Cost of stocks recognised as an expense	871,737	994,064
Operating lease charges	<u>183,559</u>	<u>183,893</u>

Notes to the financial statements (continued)

For the year ended 31 March 2018

5 Employees

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

	2018 Number	2017 Number
Office and administration	22	24
Service and operations	53	49
Directors	4	6
	<u>79</u>	<u>79</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,650,332	1,680,225
Social security costs	162,708	179,911
Pension costs	136,317	136,795
	<u>1,949,357</u>	<u>1,996,931</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	555,004	475,981
Company pension contributions to defined contribution schemes	23,549	48,388
	<u>578,553</u>	<u>524,369</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2017 - 2).

Notes to the financial statements (continued)
For the year ended 31 March 2018

6 Directors' remuneration (continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	372,118	189,998

7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	24,392	103,209
Other income from investments		
Dividends received	6,052	5,166
Total income	30,444	108,375

Investment income includes the following:

Dividends from financial assets measured at fair value through profit or loss	6,052	5,166
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8 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	58,936	89,256
Interest on finance leases and hire purchase contracts	1,224	-
Interest payable to group undertakings	2,655	3,518
Other interest	12,377	3,966
	75,192	96,740

Notes to the financial statements (continued)

For the year ended 31 March 2018

9 Other gains and losses

	2018	2017
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(30,157)	82,949
Other gains/(losses)		
Gain on disposal of investments held at fair value	62,576	28,362
	<u>32,419</u>	<u>111,311</u>

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	-	20,399
Adjustments in respect of prior periods	(24,686)	(36,572)
Total current tax	<u>(24,686)</u>	<u>(16,173)</u>
Deferred tax		
Origination and reversal of timing differences	16,271	(28,621)
Total tax credit	<u>(8,415)</u>	<u>(44,794)</u>

The government has announced that the main rate of Corporation Tax from 1 April 2017 until 31 March 2020 will be set at 19%. The government has also announced that from 1 April 2020 the rate will be 17%. The rate changes will impact the amount of future cash tax payments made by the company and will be reflected in the company's financial statements.

Holker Estates Co. Limited**Notes to the financial statements (continued)****For the year ended 31 March 2018****10 Taxation (continued)**

The actual credit for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(151,665)	26,372
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(28,816)	5,274
Tax effect of expenses that are not deductible in determining taxable profit	973	393
Tax effect of utilisation of tax losses not previously recognised	-	(13,576)
Depreciation on assets not qualifying for tax allowances	28,078	-
Other permanent differences	(1,753)	(313)
Under/(over) provided in prior years	(24,686)	(36,572)
Deferred tax adjustments in respect of prior years	17,789	-
Taxation credit for the year	(8,415)	(44,794)

11 Intangible fixed assets

	Basic Payment Scheme Entitlements £
Cost	
At 1 April 2017 and 31 March 2018	67,700
Amortisation and impairment	
At 1 April 2017	64,373
Amortisation charged for the year	3,327
At 31 March 2018	67,700
Carrying amount	
At 31 March 2018	-
At 31 March 2017	3,327

Holker Estates Co. Limited

Notes to the financial statements (continued)
For the year ended 31 March 2018

12 Tangible fixed assets

	Freehold land	Leasehold property improvements	Assets under construction	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2017	158,000	3,881,899	22,456	1,472,771	100,179	5,635,305
Additions	-	-	159,527	53,630	7,169	220,326
Disposals	-	-	-	-	(18,165)	(18,165)
At 31 March 2018	158,000	3,881,899	181,983	1,526,401	89,183	5,837,466
Depreciation and impairment						
At 1 April 2017	-	2,174,927	-	904,199	100,178	3,179,304
Depreciation charged in the year	-	147,779	-	77,387	1,065	226,231
Eliminated in respect of disposals	-	-	-	-	(18,165)	(18,165)
At 31 March 2018	-	2,322,706	-	981,586	83,078	3,387,370
Carrying amount						
At 31 March 2018	158,000	1,559,193	181,983	544,815	6,105	2,450,096
At 31 March 2017	158,000	1,706,972	22,456	568,572	1	2,456,001

Notes to the financial statements (continued)

For the year ended 31 March 2018

12 Tangible fixed assets (continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Plant and machinery	30,487	-
	<u>30,487</u>	<u>-</u>
Depreciation charge for the year in respect of leased assets	7,513	-
	<u>7,513</u>	<u>-</u>

13 Fixed asset investments

	2018 £	2017 £
Unlisted investments	644,052	631,932
	<u>644,052</u>	<u>631,932</u>

Fixed asset investments revalued

The listed investments have a cost value of £351,561 as at 31 March 2018 (2017: £309,665).

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 April 2017	631,932
Additions	111,220
Valuation changes	(30,157)
Disposals	(68,943)
	<u>644,052</u>
At 31 March 2018	644,052
Carrying amount	
At 31 March 2018	644,052
	<u>644,052</u>
At 31 March 2017	631,932
	<u>631,932</u>

Notes to the financial statements (continued)
For the year ended 31 March 2018

14 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	644,052	631,932

15 Stocks

	2018	2017
	£	£
Raw materials and consumables	255,000	255,000
Finished goods and goods for resale	308,636	344,266
	<u>563,636</u>	<u>599,266</u>

16 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	204,536	209,074
Amounts owed by group undertakings	881,171	482,907
Other debtors	538,462	1,644,013
Prepayments and accrued income	116,699	111,646
	<u>1,740,868</u>	<u>2,447,640</u>

Trade debtors are stated after impairments during the year of £12,260 (2017: £9,231).

Notes to the financial statements (continued)

For the year ended 31 March 2018

17 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	20	1,520,176	1,729,896
Obligations under finance leases	19	8,591	-
Other borrowings	20	-	522
Trade creditors		338,387	426,050
Amounts due to group undertakings		1,679,763	1,095,102
Corporation tax		-	20,399
Other taxation and social security		262,770	363,897
Other creditors		423,793	1,085,419
Accruals and deferred income		1,402,633	1,387,720
		<u>5,636,113</u>	<u>6,109,005</u>

18 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	19	<u>9,357</u>	<u>-</u>

19 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	8,591	-
In two to five years	9,357	-
	<u>17,948</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for an item of plant and machinery. The lease includes a purchase option at the end of the lease period and no restrictions are placed on the use of the asset. The lease term is 3 years. The lease is on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Holker Estates Co. Limited**Notes to the financial statements (continued)****For the year ended 31 March 2018****20 Loans and overdrafts**

	2018	2017
	£	£
Bank overdrafts	1,520,176	1,729,896
Other loans	-	522
	<u>1,520,176</u>	<u>1,730,418</u>
	<u><u>1,520,176</u></u>	<u><u>1,730,418</u></u>
Payable within one year	<u>1,520,176</u>	<u>1,730,418</u>
	<u><u>1,520,176</u></u>	<u><u>1,730,418</u></u>

The Handlesbanken overdraft is secured by a first fixed and floating charge over the assets of the company, and an unlimited multilateral guarantee given by Holker Holdings Limited, the company's parent, and all of its subsidiary undertakings.

21 Provisions for liabilities

	2018	2017
Notes	£	£
Deferred tax liabilities	92,343	76,072
	<u>92,343</u>	<u>76,072</u>

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2018	2017
Balances:	£	£
Accelerated capital allowances	44,839	21,287
Tax losses	(2,219)	-
Revaluations	49,723	54,785
	<u>92,343</u>	<u>76,072</u>
	<u><u>92,343</u></u>	<u><u>76,072</u></u>

Notes to the financial statements (continued)

For the year ended 31 March 2018

22 Deferred taxation (continued)

	2018
	£
Movements in the year:	
Liability at 1 April 2017	76,072
Charge to profit or loss	16,271
Liability at 31 March 2018	<u>92,343</u>

The deferred tax liability set out above is not expected to reverse within 12 months.

23 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>136,317</u>	<u>136,795</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

24 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

There are no restrictions on the right to distribution of dividends or repayment of capital attached to the Ordinary shares.

25 Capital redemption reserve

Capital redemption reserve represents the nominal value of shares repurchased by the entity out of its profit and loss reserve.

26 Profit and loss reserves

Profit and loss reserve represents accumulated profit or loss for the year and prior periods, less dividends paid.

Notes to the financial statements (continued)

For the year ended 31 March 2018

27 Financial commitments, guarantees and contingent liabilities

(a) The Company is party to an unlimited multilateral guarantee to secure the borrowings of the Holker Holdings Limited group from Handelsbanken dated 7 October 2011. The net balance due to Handelsbanken at the year end was £532,342.

(b) The Company has given a restoration bond amounting to £150,000 to Hydrocarbon Resources Limited until 30 June 2021 in respect of the land the Company is currently working.

28 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	132,613	142,512
Between two and five years	481,855	467,044
In over five years	1,470,000	1,575,000
	<u>2,084,468</u>	<u>2,184,556</u>

29 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	-	38,000
	<u>-</u>	<u>38,000</u>

Notes to the financial statements (continued)
For the year ended 31 March 2018

30 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods and services		Purchase of goods and services	
	2018	2017	2018	2017
	£	£	£	£
Other related parties	185,371	251,502	159,121	186,524

	Rent payable		Management charges receivable	
	2018	2017	2018	2017
	£	£	£	£
Other related parties	138,513	147,296	572,916	572,916

The company sells and purchases goods and services to/from fellow group undertakings, entities under common control and key management personnel.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018	2017
	£	£
Key management personnel	1,839	47,401
Other related parties	2,086,531	2,114,433
	2,088,370	2,161,834

The company has loans and trading balances due to/from fellow group undertakings, entities under common control and key management personnel. The loans are generally interest free and repayable on demand, however, one loan to a related party attracts interest at a commercial rate. Interest of £2,655 (2017: £3,518) was paid to related parties during the year.

Notes to the financial statements (continued)

For the year ended 31 March 2018

30 Related party transactions (continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2018		Amounts owed by related parties 2017	
	Balance £	Net £	Balance £	Net £
Key management personnel	39,371	39,371	-	-
Other related parties	1,380,259	1,380,259	1,726,843	1,726,843
	<u>1,419,630</u>	<u>1,419,630</u>	<u>1,726,843</u>	<u>1,726,843</u>

31 Directors' transactions

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Amounts owed (to)/from Lord Cavendish	-	(45,883)	85,254	39,371
		<u>(45,883)</u>	<u>85,254</u>	<u>39,371</u>

32 Controlling party

The immediate and ultimate parent undertaking is Holker Holdings Limited, a company incorporated and registered in England and Wales. This is the smallest and largest group in which this company is consolidated. Copies of the Holker Holdings Limited financial statements are available from its registered office at Cavendish House, Kirkby-In-Furness, Cumbria, LA17 7UN.

The company is under the ultimate control of the Cavendish 1959 Settlement.