

ARUNDEL CASTLE ENTERPRISES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



ARUNDEL CASTLE ENTERPRISES LIMITED

COMPANY INFORMATION

Directors	The Duke of Norfolk Dr John Martin Robinson Mr Charles Fraser Mr Stephen Manion
Registered number	01521264
Registered office	Arundel Castle High Street Arundel West Sussex BN18 9LH
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor Mill House Overbridge Square Hambridge Lane Newbury RG14 5UX

ARUNDEL CASTLE ENTERPRISES LIMITED

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ARUNDEL CASTLE ENTERPRISES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 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 judgments 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.

Directors

The directors who served during the year were:

The Duke of Norfolk
Dr John Martin Robinson
Mr Charles Fraser
Mr Stephen Manion

Gift Aid

The company gifts its distributable income to its parent company, Arundel Castle Trustees Limited, which is a registered charity.

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, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

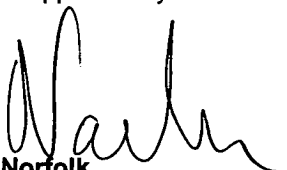
ARUNDEL CASTLE ENTERPRISES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 18 March 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'Duke', written over the printed name of The Duke of Norfolk.

The Duke of Norfolk
Director

ARUNDEL CASTLE ENTERPRISES LIMITED

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

Opinion

We have audited the financial statements of Arundel Castle Enterprises Limited (the 'Company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, the Balance Sheet and the related notes, 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 Financial Reporting Standard 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 December 2018 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.

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 United Kingdom, including the Financial Reporting Council'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 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.

ARUNDEL CASTLE ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARUNDEL CASTLE ENTERPRISES LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion 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 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 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions 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 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.

ARUNDEL CASTLE ENTERPRISES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARUNDEL CASTLE ENTERPRISES LIMITED (CONTINUED)

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. 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.



Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

Mill House
Overbridge Square
Hambridge Lane
Newbury
RG14 5UX

Date:

14/8/2019

ARUNDEL CASTLE ENTERPRISES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover		746,609	825,630
Cost of sales		(235,011)	(229,950)
Gross profit		511,598	595,680
Administrative expenses		(376,424)	(376,754)
Gift Aid payment to parent		(107,434)	(229,807)
Operating profit/(loss)	4	27,740	(10,881)
Interest receivable and similar income		242	49
Profit/(loss) before tax		27,982	(10,832)
Profit/(loss) for the financial year		27,982	(10,832)

The notes on pages 8 to 16 form part of these financial statements.

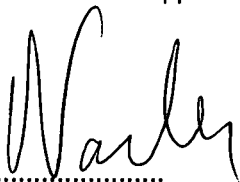
ARUNDEL CASTLE ENTERPRISES LIMITED
REGISTERED NUMBER: 01521264

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	7	63,175	37,337
		<u>63,175</u>	<u>37,337</u>
Current assets			
Stocks	8	110,663	111,239
Debtors: amounts falling due within one year	9	1	-
Cash at bank and in hand	10	348,243	424,586
		<u>458,907</u>	<u>535,825</u>
Creditors: amounts falling due within one year	11	(472,351)	(551,413)
Net current liabilities		<u>(13,444)</u>	<u>(15,588)</u>
Total assets less current liabilities		<u>49,731</u>	<u>21,749</u>
Net assets		<u><u>49,731</u></u>	<u><u>21,749</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		49,631	21,649
		<u>49,731</u>	<u>21,749</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18/3/19



.....
The Duke of Norfolk
 Director

The notes on pages 8 to 16 form part of these financial statements.

ARUNDEL CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Arundel Castle Enterprises Limited is a private company, limited by shares, domiciled in England and Wales, registration number 01521264. The registered office is Arundel Castle, High Street, Arundel, West Sussex, BN18 9LH.

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 Section 1A of 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

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.

2.3 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.4 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

ARUNDEL CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.6 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:

Coffee shop fixtures and fittings	- 10% - 33% straight line
Restaurant fixtures and fittings	- 5% - 33% straight line
Gift shop fixtures and fittings	- 5% - 33% 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 Profit and Loss Account.

2.7 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 an individual cost basis.

At each balance sheet 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.

2.8 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.

2.9 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.

ARUNDEL CASTLE ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.10 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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets (see note 7)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	19,703	13,456
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5,280	5,150
Defined contribution pension cost	1,473	3,934

5. Employees

The average monthly number of employees, including directors, during the year was 14 (2017 - 15).

6. Taxation

	2018 £	2017 £
Total current tax	-	-

Factors affecting tax charge for the year

The company gift aids all its profits to the parent charity and consequently has no tax charge in the year.

ARUNDEL CASTLE ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Tangible fixed assets

	Coffee shop fixtures and fittings £	Restaurant fixtures and fittings £	Gift shop fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2018	33,258	84,279	86,970	204,507
Additions	45,946	2,193	3,449	51,588
Disposals	(14,334)	-	-	(14,334)
At 31 December 2018	<u>64,870</u>	<u>86,472</u>	<u>90,419</u>	<u>241,761</u>
Depreciation				
At 1 January 2018	21,794	62,974	82,402	167,170
Charge for the year on owned assets	10,717	5,874	3,112	19,703
Disposals	(8,287)	-	-	(8,287)
At 31 December 2018	<u>24,224</u>	<u>68,848</u>	<u>85,514</u>	<u>178,586</u>
Net book value				
At 31 December 2018	<u>40,646</u>	<u>17,624</u>	<u>4,905</u>	<u>63,175</u>
At 31 December 2017	<u>11,464</u>	<u>21,305</u>	<u>4,568</u>	<u>37,337</u>

8. Stocks

	2018 £	2017 £
Shop	108,350	110,206
Restaurant	2,051	950
Coffee shop	262	83
	<u>110,663</u>	<u>111,239</u>

9. Debtors

	2018 £	2017 £
Other debtors	1	-
	<u>1</u>	<u>-</u>

ARUNDEL CASTLE ENTERPRISES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	348,243	424,586
	<u>348,243</u>	<u>424,586</u>

11. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	305	1,151
Amounts owed to group undertakings	464,597	545,110
Other creditors	2,168	-
Accruals and deferred income	5,281	5,152
	<u>472,351</u>	<u>551,413</u>

12. Contingent liabilities and financial commitments

At the balance sheet date the Company had no capital commitments (2017: £Nil) or contingent liabilities (2017: £Nil).

13. Transactions with directors

During the year The Duke and Duchess of Norfolk purchased small goods to the value of £Nil (2017: £278) from the gift shop and restaurant at standard retail prices. The balance due to the Company at the year end was £Nil (2017: £Nil).

The directors regard Arundel Castle Trustees Limited, a company incorporated in England, as the ultimate parent company. Copies of the parent's consolidated financial statements may be obtained from Arundel Castle, Arundel, West Sussex, BN18 9AB.

There is no overall controlling party.

ARUNDEL CASTLE ENTERPRISES LIMITED

**GIFT SHOP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018		2017	
	£	£	£	£
Income				
Sales	276,132		293,141	
Cost of Sales				
Opening Stock	110,206	119,166		
Purchases	110,394	102,087		
Closing Stock	<u>(108,350)</u>	<u>(110,206)</u>		
	(112,250)		(110,047)	
Gross profit	163,882		182,094	
Operating Expenses				
Salaries and wages	44,549	42,427		
Rates	1,364	1,565		
Light, heat and water	4,639	4,740		
Insurance	3,573	3,377		
Audit fees	1,584	1,794		
Sundry expenses	1,666	1,313		
Repairs and renewals	3,563	1,837		
Direct expenses	3,773	3,962		
Depreciation	3,112	4,110		
Bank charges	2,394	2,273		
	<hr/>	<hr/>		
	(70,217)		(67,398)	
Other income				
Bank interest receivable	92		18	
	<hr/>		<hr/>	
Operating profit	<u>93,757</u>		<u>114,714</u>	

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ARUNDEL CASTLE ENTERPRISES LIMITED

**COFFEE SHOP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018		2017	
	£	£	£	£
Income				
Coffee shop sales		131,041		140,139
Cost of Sales				
Opening Stock	83		56	
Coffee shop purchases	33,925		33,402	
Non-food purchases	1,597		203	
Closing Stock	<u>(262)</u>		<u>(83)</u>	
		(35,343)		(33,578)
Gross profit		95,698		106,561
Operating Expenses				
Salaries and wages	32,180		35,659	
Rates	585		671	
Light, heat and water	1,988		2,031	
Insurance	1,531		1,447	
Audit fees	1,056		825	
Sundry expenses	488		592	
Repairs and renewals	70,048		9,045	
Direct expenses	1,617		1,699	
Depreciation	10,718		3,941	
Profit/loss on sale of tangible fixed assets	6,046		-	
Bank charges	<u>1,136</u>		<u>1,130</u>	
		(127,393)		(57,040)
Other income				
Bank interest receivable		<u>43</u>		<u>9</u>
Operating (loss)/profit		<u>(31,652)</u>		<u><u>49,530</u></u>

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ARUNDEL CASTLE ENTERPRISES LIMITED

**RESTAURANT PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018		2017	
	£	£	£	£
Income				
Sales	325,724		357,930	
Cost of Sales				
Opening Stock	950		640	
Food and drink purchases	85,775		82,778	
Non-food purchases	2,745		2,857	
Closing Stock	<u>(2,051)</u>		<u>(950)</u>	
	(87,419)		(85,325)	
Gross profit	238,305		272,605	
Operating Expenses				
Salaries and wages	126,018		130,938	
Rates	1,949		2,236	
Light, heat and water	6,626		6,771	
Insurance	5,105		4,824	
Audit fees	2,640		2,749	
Sundry expenses	374		541	
Repairs and renewals	14,632		68,825	
Direct expenses	5,390		5,660	
Depreciation	5,874		5,405	
Bank charges	2,787		2,703	
	<u>(171,395)</u>		<u>(230,652)</u>	
Other income				
Bank interest receivable	107		22	
Operating profit	<u>67,017</u>		<u>41,975</u>	

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ARUNDEL CASTLE ENTERPRISES LIMITED

**ARUNDEL FESTIVAL PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018		2017	
	£	£	£	£
Income				
Festival income	13,492		34,420	
Festival costs				
Artist costs	3,572		14,200	
Receptions and bar	-		679	
Additional services and equipment	1,959		4,584	
Advertising costs	1,790		1,470	
Ticketing costs	<u>327</u>		<u>731</u>	
	(7,648)		(21,664)	
Operating profit	<u>6,294</u>		<u>12,756</u>	