

BODELWYDDAN CASTLE TRUST
(A COMPANY LIMITED BY GUARANTEE)

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31ST MARCH 2005**

**REGISTERED NUMBER : 2899285
CHARITY NUMBER: 1040969**

**GARDNER SALISBURY LIMITED
CHARTERED ACCOUNTANTS
IRISH SQUARE
UPPER DENBIGH ROAD
ST ASAPH
DENBIGHSHIRE
LL17 0RN**



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COMPANIES HOUSE 31/01/2006

BODELWYDDAN CASTLE TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2005

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BODELWYDDAN CASTLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION AT 31 MARCH 2005

STATUS

The organisation is a charitable company limited by guarantee, incorporated on the 17th February 1994 and registered as a charity in September 1994.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company (the charity) and is governed under its Articles of Association. The Directors of the charitable company are its Trustees for the purposes of charity law and throughout this report are referred to as the Trustees. Under the Articles there must be at least eleven and not more than fifteen Trustees. One third (or the number nearest to one third) of the Trustees apart from nominated Trustees, must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. Trustees are elected by the members at the AGM. At any time the Trustees may co-opt a Trustee to fill a casual vacancy or as an additional Trustee, but a co-opted Trustee holds office only until the next AGM.

DIRECTORS AND TRUSTEES

Cllr Mrs Rhiannon Wyn Hughes MBE (Chair)

Cllr Mrs Susan Roberts

Mr Mervyn Phillips

Mr Philip Eyton-Jones

Mr Aldham Robarts

Mr Llion Williams

Dr June Arnold

Mrs Anne Waller

Mr Alex Bell

Mr Alan Bryan

Mr Terry Sterling

Dr Ken Davies

EX OFFICIO MEMBERS, MEMBERS AND ADVISORS

Mr Sandy Nairne, Director, National Portrait Gallery

Mr Elwyn Conway

Mr Colin Drake

Cllr. Mrs D. Jones

Cllr. Patrick Heesom

SECRETARY

Dr Kevin Mason

REGISTERED OFFICE

Bodelwyddan Castle, Bodelwyddan, Denbighshire, LL18 5YA

OPERATIONS ADDRESS

Bodelwyddan Castle, Bodelwyddan, Denbighshire, LL18 5YA

AUDITORS

Gardner Salisbury Limited, Chartered Accountants and Registered Auditors, Irish Square, Upper Denbigh Road, St Asaph, Denbighshire, LL17 0RN

BANKERS

NatWest Bank, Rhyl, Denbighshire

BODELWYDDAN CASTLE TRUST

REPORT OF THE TRUSTEES

The Trustees present their report and financial statements for the year ended 31st March 2005.

OBJECTIVES

The objectives of the charitable company as stated in the Memorandum of Association are:

- (i) the advancement of education for the public benefit by acquiring, housing and exhibiting and documenting, conserving restoring and repairing objects and collections of an educational nature and by establishing acquiring managing and maintaining museums galleries libraries and other suitable premises for use for such purposes including buildings of architectural and constructional heritage
- (ii) the acquisition, provision, establishment and management of public parks for the use and recreation of the public the conservation and preservation of and the creation of public access to their natural features, animal and plant life and the encouragement and promotion of public knowledge and appreciation of the natural world and its development.

MISSION

Bodelwyddan Castle Trust will provide the best customer experience within our market realm. We will do this by realising our full potential and learning from every opportunity, thus empowering staff to meet every changing customer need.

ORGANISATIONAL STRUCTURE

The full board of Trustees meet as a Council of Management on at least four occasions during the year to set and monitor the strategies and operational activity of the organisation and to approve and control capital and revenue budgets.

RELATIONSHIP BETWEEN THE CHARITY AND RELATED PARTIES

The charity is independent of any other organisation. However, the charity works closely with other organisations which share the same aims and in particular with Denbighshire County Council, the National Portrait Gallery, and Warner Holidays Ltd.

ACTIVITIES

The Trust's principal activity is the advancement of education for the public benefit through the organisation and display of collections, exhibitions and heritage, and the management of its premises. The Trust provides its property for the recreation of the public, and seeks to promote and encourage a wide public appreciation and use of all its facilities and services.

The year has seen a steady improvement in the nature and range of services offered to the public but also a change in the way in which some services are administered. The ending of the Joint Area Museums Education Service project resulted in the need for the Trust to provide its own museum educational services and following receipt of a grant from *CyMAL, Museums Archives Libraries Wales*, the Trust was able to appoint a Learning & Curatorial Officer to manage this service. The post has been established to oversee educational provision and also the programme of changing exhibitions that has become a key element of the Trust's work following the major capital redevelopment of recent years.

The financial support of Denbighshire County Council is of key significance in ensuring the core activities of the Trust and is gratefully acknowledged. In common with other Council supported organisations, the Trust has had to absorb significant real-terms reductions in subsidy over the years but it has done so using a dual strategy of prudent financial management and the development of new income streams, particularly those covenanted through its trading company Bodelwyddan Castle Enterprises Ltd. In parallel with this, an additional funding source ended during the year with the completion of a 10-year ticket agreement with Warner Holidays Ltd worth over £38,000 per year. Buffer arrangements kindly agreed by Warner have helped the Trust manage the resultant loss of income in this case.

BODELWYDDAN CASTLE TRUST

REPORT OF THE TRUSTEES (CONTINUED)

ACTIVITIES (CONTINUED)

The need to maintain a strong control over expenditure has resulted in some realignment of staff resources, reducing yet again the size of the management and administration team. In the light of an increasing requirement to obtain income from a variety of sources and to maintain standards, this has resulted in further pressure on remaining staff. The Trust is fortunate to be able to call upon the dedication of individuals who are united in their wish to provide good public service at all times as well as producing improvements year on year. It should not be overlooked that, despite this dedication, there is a limit to what can be achieved with such restricted resources.

Some reduction in Winter period opening was introduced during the year to target the key periods of public usage of the Castle and its collections. In parallel with this reduction in general opening hours, a strategy of encouraging pre-booked group visits was established. This strategy has received some success in its first year and will become the pattern for future years. Particular attention is being paid to the coach group market although a limit in the size of available catering and toilet facilities needs to be overcome to achieve lasting results. These constraints need to be considered by the Trustees in the near future.

Despite all of the above pressures, the Trust is looking forward to a year that will prove to be a significant milestone in its history. The programme of changing exhibitions will include the loan of very important national collections from the Tate Britain and the National Museums & Galleries of Wales as well as the strengthening of existing partnership with the National Portrait Gallery. This will endorse a strategy devised with the National Portrait Gallery to establish new temporary exhibition spaces that can be used to house pre-eminent collections for the benefit of the people of North Wales.

RESERVES POLICY

The Council of Management of Bodelwyddan Castle Trust have adopted the following policy on its Reserves. We use the term "Reserves" to describe that part of a charity's income funds that is freely available for its general purposes. "Reserves" are therefore the reserves the charity has or can make available to spend for any or all of the charity's purposes once it has met its commitments and covered its other planned expenditure. The charity will hold a level of funds committed, if the situation arises, for the winding up of the Trust, which equates to 6 months trading at current calculations. This amount will be periodically reviewed. Following completion of the first floor galleries refurbishment the remainder of any reserves held will be applied to projects designed to improve the infrastructure and improve facilities for visitors.

INVESTMENT POLICY

Under the Memorandum of Association the Trustees have the power to deposit or invest funds in any manner. The Trustees have considered the most appropriate policy for investing funds and have found that the investment in a short term notice bank deposit meets their requirements to generate income, incur minimal risk and provide liquid funds with minimal notice.

RISK REVIEW

The Council of Management of Bodelwyddan Castle Trust wish to ensure the highest level of safety and welfare of the visiting public, the employees of the Trust, and the property administered by the Trust. To this end they will: establish a Risk Management Sub-committee to advise Trustees on the steps necessary to manage all risks effectively, identify all major risks within a corporate risk register, develop detailed analyses of major risks to ensure correct operational procedure at all times, produce and periodically up-date the Serious Incident Control Plan for Bodelwyddan Castle Trust, require that all staff are involved actively in development and implementation of all risk management strategies and procedures. Further to the control aspects of the above, Trustees will ensure that adequate commercial insurance cover is maintained on all aspects of the operation for which they have a responsibility.

MEMBERS

The Trustees, who are Directors for the purposes of company law and Trustees for the purposes of charity law, who served during the period and up to the date of this report are set out on page 1. All Trustees must be Members, though Members need not be Trustees.

BODELWYDDAN CASTLE TRUST

REPORT OF THE TRUSTEES (CONTINUED)

MEMBERS (CONTINUED)

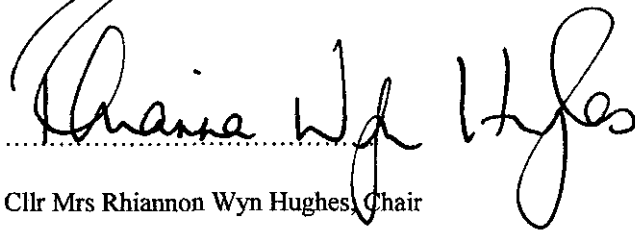
Every Member promises, if the charity is dissolved while he or she remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charity while the contributor was a member. The total number of such guarantees as at March 2005 was 16 (2004: 16).

SMALL COMPANY RULES

The full name of the company is Bodelwyddan Castle Trust and the applicable company and registered charity number can be seen on the cover of these financial statements.

This report has been prepared in accordance with the Memorandum of Association, Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with Part VII Of the Companies Act 1985 relating to small companies.

Approved by the Trustees on 21 Nov 2005


.....

Cllr Mrs Rhiannon Wyn Hughes, Chair

BODELWYDDAN CASTLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF BODELWYDDAN CASTLE TRUST

We have audited the financial statements of Bodelwyddan Castle Trust on pages 6 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities, the charity's Trustees are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

We have been appointed under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations as required for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

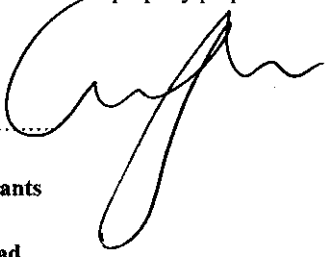
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relative to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2005 and its incoming resources and application of resources, including its income and expenditure, for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



.....
Gardner Salisbury
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Date Signed: 5th December 2005

BODELWYDDAN CASTLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2005

		2005	2005	2005	2004
		General	Designated	Total	Prior year
		funds	funds	funds	total funds
	Notes	£	£	£	£
INCOMING RESOURCES					
Admission charges		90,840	-	90,840	117,810
Events and sundry income		776	-	776	633
Grants received	3	245,215	-	245,215	236,708
Investment income	4	72,946	-	72,946	71,462
Covenanted income		65,813		65,813	31,860
Other income receivable as turnover income		1,081		1,081	3,374
Gift aid		6,210		6,210	5,090
Total Incoming Resources		482,881	-	482,881	466,937
RESOURCES EXPENDED					
Management and Administration	6	(453,215)	-	(453,215)	(434,121)
Total Resources Expended		(453,215)	-	(453,215)	(434,121)
Net Incoming/(Outgoing) Resources		29,666		29,666	27,726
Before Transfer		297,401	68,474	365,875	338,149
Total funds brought forward					
TOTAL FUNDS FOR THE YEAR		327,067	68,474	395,541	365,875

Total recognised gains and losses

The Statement of Financial Activates includes all gains and losses recognised in the period

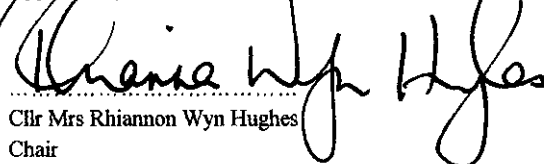
The notes on page 8-12 form part of these financial statements

BODELWYDDAN CASTLE TRUST**BALANCE SHEET
AT 31 MARCH 2005**

		2005		2004	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		440,470		486,464
Investments	7		20		20
			<u>440,490</u>		<u>486,484</u>
CURRENT ASSETS					
Debtors	9	273,770		133,914	
Cash at bank and in hand		190,088		199,404	
		<u>463,858</u>		<u>333,318</u>	
CREDITORS: amounts falling due within one year	10	(82,366)		(126,718)	
			<u>381,492</u>		<u>206,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>821,982</u>		<u>693,084</u>
ACCRUALS AND DEFERRED INCOME					
Deferred government grants		-	(426,441)		(327,209)
			<u>395,541</u>		<u>365,875</u>
NET ASSETS			<u>395,541</u>		<u>365,875</u>
REPRESENTED BY:					
CAPITAL AND RESERVES					
Designated Art Fund	12		68,474		68,474
General Fund	11		327,067		297,401
			<u>395,541</u>		<u>365,875</u>
TOTAL FUNDS			<u>395,541</u>		<u>365,875</u>

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

Approved by the Trustees on 21 Nov 2005 and signed on its behalf by:


Chair Mrs Rhiannon Wyn Hughes
Chair

BODELWYDDAN CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

1 STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and follow the recommendations in Accounting and Reporting by Charities ; Statement of Recommended Practice issued in October 2000.

Cash flow

The company qualifies as a small company under the Companies Act 1985. The Trustees have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Income

Donations and legacies are accounted for when received by the Trust.

Other income is accounted for on an accruals basis as far as it prudent to do so, exclusive of VAT.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Furniture & fittings	20% straight line
Property improvements	10% straight line

No depreciation is charged on freehold and long leasehold land.

Property improvements are depreciated to write down the cost less estimated residual value over their estimated residual value over their remaining useful life by equal annual instalments.

Grants

Revenue grants are credited to the income and expenditure account in the period when the related expenditure is incurred.

Capital Grants made from the Designate Art Fund, in respect of capital expenditure, are credited to deferred revenue and released to the income and expenditure account over the estimated useful life of the relevant fixed asset.

Pension Costs

The regular cost of providing retirement pension and related benefits is charged to the profit and loss accounts over the employees services lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contribution paid to the scheme is shown as an asset or liability in the balance sheet,

Taxation

As a registered charity, the Trust benefits from Rates relief and is generally exempt from Income Tax and Capital Gains Tax.

2 RELATED PARTY DISCLOSURE

During the year Bodelwyddan Castle Trust made charges to its subsidiary company for various services provided to Bodelwyddan Castle Enterprises Limited but paid for by the Trust.

The total amount owed to the Trust at 31st March 2005 was £ 229,241 (2004 £99,832)

BODELWYDDAN CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

3 GRANTS RECEIVED

	2005	2004
	£	£
Denbighshire County Council	192,060	194,000
Other grant aid	4,142	3,440
Grant release	49,012	39,268
	<hr/>	<hr/>
	245,215	236,708

4 INVESTMENT INCOME

	2005	2004
	£	£
Rent receivable	64,627	64,379
Interest receivable		
General Fund	8,319	6,208
Designated Arts Fund	-	875
	<hr/>	<hr/>
	72,946	71,462

5 SALARY INFORMATION

	2005	2004
	£	£
Wages and salaries	248,382	239,223
 The average monthly number of employees during the year was made up as follows:		
Administration	5	6
Museum Assistants	14	14
Cleaners	3	3

6 EXPENDITURE

	2005	2004
	£	£
Expenditure is stated :		
after charging		
Depreciation of fixed assets	64,920	61,568
Audit Services	2,000	2,000
Consultancy and Accountancy	4,000	4,000

BODELWYDDAN CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

7 TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures and fittings £	Total £
Cost:			
At April 2004	505,356	149,670	655,026
Additions		18,926	18,926
	<hr/>	<hr/>	<hr/>
At March 2005	505,356	168,596	673,952
	<hr/>	<hr/>	<hr/>
Depreciation:			
At April 2004	50,535	118,027	168,562
Charge for year	50,535	14,385	64,920
	<hr/>	<hr/>	<hr/>
At March 2005	101,070	132,412	233,482
	<hr/>	<hr/>	<hr/>
Net book value			
At March 2005	404,286	36,184	440,470
	<hr/>	<hr/>	<hr/>
At March 2004	454,821	31,643	486,464
	<hr/>	<hr/>	<hr/>
Analysis of net book value of land and buildings:		£	£
Tenant's improvements to property		404,286	454,821

8 INVESTMENTS HELD AS FIXED ASSETS

Bodelwyddan Castle Enterprises Ltd. a company registered in England and Wales, was an operating subsidiary of Bodelwyddan Castle Trust as at 31st March 2005.

Its principal activity is the sale of gifts and souvenirs and operation of a tea room from premises at Bodelwyddan Castle. It also undertakes the running of a number of special events at the castle.

Bodelwyddan Castle Trust owns 20 ordinary shares of £1 each, this being 100% of the issued share capital of Bodelwyddan Castle Enterprises Ltd.

	2005	2004
20 £1 Ordinary Shares held in group undertaking stated at nominal value	20	20

9 DEBTORS

	2005 £	2004 £
Trade Debtors	4,765	5,467
Amounts owed by group undertaking	229,241	99,832
Gift aid	6,210	-
Other debtors and prepayments	33,554	28,615
	<hr/>	<hr/>
	273,770	133,914
	<hr/>	<hr/>

BODELWYDDAN CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

10 CREDITORS: amounts falling due within one year

	2005	2004
	£	£
Trade creditors	4,511	43,010
Owed to Denbighshire County Council	66,729	66,438
Accruals	11,126	17,270
	<hr/>	<hr/>
	82,366	126,718
	<hr/>	<hr/>

11 GENERAL FUND

	2005	2004
	£	£
Retained surplus at April 2004	297,401	270,550
Surplus for the year	29,666	26,851
Retained Surplus at 31 March 2005		
	<hr/>	<hr/>
	327,067	297,401
	<hr/>	<hr/>

12 DESIGNATED ARTS FUND

	2005	2004
	£	£
Balance at beginning of year	68,474	67,599
Surplus for the year	0	875
Balance at year end		
	<hr/>	<hr/>
	68,474	68,474
	<hr/>	<hr/>

BODELWYDDAN CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

13 PENSION COSTS

The company operates a defined benefit scheme for the benefit of employees. A full actuarial valuation was carried out at 31 March 2004 by a qualified independent actuary. The major assumptions used by the actuary were:

31st March 2003

Rate of increase in salaries	4.05%
Rate of increase in pension in payment	2.80%
Discount rate	5.50%
Inflation assumption	2.80%

The assets in the scheme were:

	Value £
Equities	215,922
Bond	29,256
Property	18,126
Other	54,696
	318,000

Total market value of assets

Present value of scheme liabilities	(463,000)
Deficit in scheme	(145,000)
Related deferred tax liability	Nil

Over the year to 31 March 2005, the actual company contributions were £24,814 (2004- £22,765)

The actuarial valuation at 31 March 2005 recommended a company contribution rate of 14.38% of pensionable salaries, which amounts to around £23,587 a year based on pensionable payroll at 31 March 2004.

The rate will be reviewed at the next full actuarial valuation due at 31 March 2007 and at three yearly intervals thereafter.

BODELWYDDAN CASTLE TRUST

MANAGEMENT INFORMATION

**FOR THE YEAR ENDED
31 MARCH 2005**

BODELWYDDAN CASTLE TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
	£	£
INCOME		
Admission charges	90,840	117,810
Rent receivable	64,627	64,379
Interest receivable	8,319	7,083
Events Income	776	633
Covenanted income	65,813	31,860
Gift aid	6,210	-
Other income	<u>1,081</u>	<u>3,374</u>
	237,666	225,139
Grants receivable	<u>245,215</u>	<u>236,708</u>
	482,881	461,847
EXPENDITURE		
	<u>(453,215)</u>	<u>(434,121)</u>
NET SURPLUS FOR THE YEAR	<u>29,666</u>	<u>27,726</u>

BODELWYDDAN CASTLE TRUST

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	2005	2004
	£	£
Wages and salaries	249,342	239,223
Educational events and exhibitions	8,497	6,145
Staff training	360	407
Water rates	1,905	1,700
Insurance	10,582	9,562
Light and heat	8,808	7,198
Repairs and maintenance	13,697	9,631
Cleaning	3,473	3,266
Computer running costs	709	-
Printing, postage and stationery	6,430	4,944
Advertising	26,335	32,448
Telephone	4,738	5,152
Hire of equipment	1,167	1,539
Motor and travel expenses	1,929	2,762
Grounds maintenance	14,453	29,844
Legal and professional fees	-	10,085
Accountancy	4,000	4,000
Audit fees	2,000	2,000
Bank charges	1,290	1,369
Credit card charges	396	387
Bad debts	203	-
Sundry expenses	607	416
James Sundry	26,198	
Subscriptions	607	127
Depreciation on fixtures and fittings	14,385	11,033
Depreciation of property improvements	50,535	50,535
Entertaining	569	348
	<u>453,215</u>	<u>434,121</u>