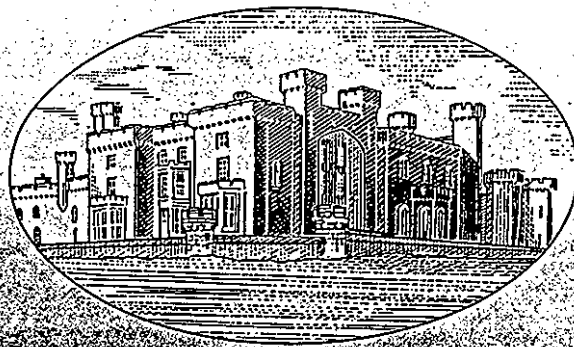


**BODELWYDDAN CASTLE TRUST**

**YMDDIRIEDOLAETH CASTELL  
BODELWYDDAN**



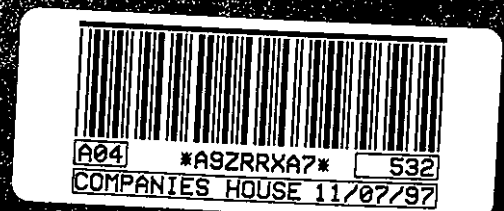
**ANNUAL REPORT**

**AND**

**CONSOLIDATED ACCOUNTS**

**YEAR ENDED 31 MARCH 1997**

**BODELWYDDAN CASTLE TRUST  
REGISTERED IN WALES NO 2399285**



# **BODELWYDDAN CASTLE TRUST**

## **ANNUAL REPORT AND CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1997**

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## BODELWYDDAN CASTLE TRUST

A Company Limited by Guarantee with Charitable Status

Registered in Wales No.2899285

Registered Charity No.1040969

The Trust's Mission Statement aims to reflect the charitable objects within the Memorandum and Articles of Association:

- i) The protection of the charitable and educational status of the Trust
- ii) The fullest understanding and support for the curatorial and educational objectives, and the retention of Museum Registration status
- iii) The achievement of maximum income consistent with a high quality visitor experience
- iv) The most cost effective use of earned income and grant support
- v) The call on annual funding from the host Authority, over and above the assured base, is minimised
- vi) Good neighbourliness towards the other site partners and communities which from time to time may be affected by the Trust's operations

At the final meeting of the year the Trust adopted the following statement:

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

The Trust's Registered Office is as follows:

Bodelwyddan Castle Trust, Bodelwyddan Castle, Bodelwyddan, Denbighshire LL18 5YA

Telephone: 01745 584060. The telephone is manned 24 hours a day.

Fax: 01745 584563

Contact: Bryn Hughes, Director/Company Secretary

Principal Bankers: National Westminster Bank plc, Rhyl, Denbighshire

Auditors: Phillips - Salisbury, Chartered Accountants, Irish Square, St Asaph, Denbighshire LL17 0RN

Solicitors: Berryman's Lacey Mawer, Solicitors, Castle Chambers, 43 Castle Street, Liverpool L2 9SU

## REPORT OF THE TRUSTEES

The Trustees submit their consolidated report together with the audited financial statements for the Year ended 31 March 1997.

### PRINCIPAL ACTIVITY

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 usage of all its facilities and services.

The Trust's trading activities are managed and operated by Bodelwyddan Castle Enterprises Ltd, a wholly-owned company that covenants its profits to the Trust annually.

### REVIEW OF THE YEAR

Reports highlighting the activities of the Trust and the Enterprise Company are attached.

### RESULTS

The income and expenditure account shows the deficit for the period.

### TRUSTEES

The liability of the Trustees in the event of the Trust being wound up is limited to a sum not exceeding £1.

The Trustees met as a Council of Management on seven occasions during the period, and their names are shown on page 12.

In accordance with the Articles of Association of the Trust one third of the members shall retire from office (Article 46), and those who have been longest in office (Article 47) Mr Dewi Davies, Mr Keith Evans, Mr Rex Evans, Mr Geoffrey Edwards and Mrs Glynis Shaw are eligible, and with the exception of Mr Keith Evans, have offered themselves for re-election (Article 48).

### THE ENTERPRISE COMPANY

The Bodelwyddan Castle Enterprise Company Ltd was incorporated on 7 October 1994 and capital of 20 £1 ordinary shares. The Directors gifted their shares by depositing their share certificates with the Trust. The review of the year extends from April 1996 to March 31st 1997. The Directors met on six occasions during the period, and their names are shown on page 15.

## STATEMENT OF TRUSTEES RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust for that period. In preparing the financial statements the Trustees are required to:

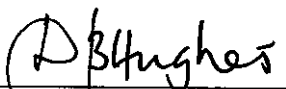
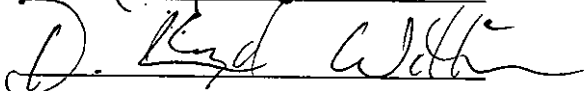
- i) Select suitable accounting policies and then applying them consistently
- ii) Make judgements and estimates that are reasonable and prudent
- iii) Prepare financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust, and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## AUDITORS

Phillips - Salisbury, Chartered Accountants, of St Asaph, Denbighshire, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Approved by the Trustees and signed on their behalf by:

	D B Hughes (Company Secretary)
	D Lloyd-Williams (Chairman)
<u>30 June 1997</u>	Date

## REVIEW OF THE YEAR

### THE CONSTITUTIONAL FRAMEWORK AND FINANCIAL STRUCTURE

The constitutional framework and broad financial structure within which the Trust now operates was fully described in the First Annual Report, and by way of introduction it will suffice here to give a brief overview.

The former Clwyd County Council had operated the Castle as a museum and heritage attraction since 1988, and adopted a strategy in 1991 to seek a partnership arrangement at the Castle to help safeguard its future. An agreement was reached with Rank Holidays and Hotels Developments Ltd for the company to develop a holiday hotel on part of the site with a lease from the Council. The hotel opened in 1994 under the Warner branding.

In the meantime the Council agreed that the public facilities should be operated by an independent Trust, and the Private Limited Company was incorporated on 17 February 1994 with a lease for 125 years at a peppercorn rent. The Trust became a charity in September 1994, and its wholly-owned Enterprise Company, to deal with the non-charitable trading functions, was incorporated on 7 October 1994.

In addition to its own self-generated income the Trust receives an annual grant from the Council together with payments from Warner permitting the hotel's guests to view the Trust's facilities. In addition the hotel's lease payment reverts to the Trust, and the Enterprise company covenants its profits to the Trust. These partnership funding sources, together with applications for external grant support, provides a reasonable base from which the Trust can operate.

On 1 April 1996 local government in Wales was re-organised with single tier authorities, and the responsibilities of the demised Clwyd County Council fell to the new all-purpose Denbighshire County Council. It is pleasing to report that a smooth transition was achieved, with the new authority both nominating its two Members to join the Trust, and making an award of grant. Within the re-organisation, however, the Trust's management team adopted wider responsibilities to lead and support the County's Heritage Service. A management service fee was agreed which helped to offset a reduction in the grant settlement.

The arrangements with the new authority have worked well and offered a more structured liaison and networking between the Trust and the authority. The Trust is grateful for the supporting services that Denbighshire has continued to provide.

### THE ENTERPRISE COMPANY

Bodelwyddan Castle Enterprises Limited was formed upon the advice of the Charity Commission to manage and operate the trading functions on behalf of the Trust. It has a share capital of 20 £1 ordinary shares, and now has seven Directors. The Directors gifted their shares by depositing their share certificates with the Trust. A Deed of Covenant with the Trust was created that provides for the profits of the

Company, less tax, to be donated to the Trust on an annual basis. The declaration of profit is made two months in advance of the year end, and adjusted subsequently if required.

The Company began operating the Trust's Gift Shop in November 1994, and the Tea Room with effect from April 1995 at the conclusion of a franchise with Warner. The Trust and the Enterprises now have co-terminus accounting periods which reflects both the Enterprise Company's profitability, and lines up with the Trust's annual budget cycle.

### STAFFING

The Trust has continued to operate with a mix of seconded local authority staff and that of its own. Presently Denbighshire County Council employs 19 staff, and the Trust directly employs 10. There has been no change in establishment numbers during the year, nor in the balance between the two employers. The Trust's Management Team has been additionally involved with the work of the County Heritage Service within the Cultural Services Department, and this activity is reported to Trustees at their meetings.

A variety of staff training and development work has been undertaken, and will be progressed towards the Investors in People Award in tandem with the County's timetable in 1997/98.

The commitment and enthusiasm of staff at every level is acknowledged and the continuance of multi-skilling where appropriate and acceptance of day to day responsibility has been a creditable feature. This is particularly true since the year has been a period of some uncertainty for staff with a continuing squeeze on expenditure. At the same time Trustees have had to consider the implications of possible future employment legislation, local authority single status arrangements, and the disparities between staff working at the Castle. The year ended with the Trust undertaking a review which will be carried forward into 1997/98.

### AN OVERVIEW OF THE TRUSTEES' WORK

Members considered a wide variety of matters in their stewardship of the Trust during 1996/97. The Council of Management had previously operated with a Museum Sub-Committee which assisted with the museum bid to the Heritage Lottery Fund, and whilst this continued, the wish of the Trustees to increase awareness and impact in the more local community, led to the establishment of the Community Affairs Sub-Committee that met for the first time in September 1996 under the Chairmanship of Councillor Rhiannon Hughes.

The Trust, with the support of its Enterprise Company, succeeded in renegotiating the parkland rental and established a framework for reviewing the overall parkland agreement. The St Asaph Lodge, having been incorporated within the Trust's demise the previous year, required restoration, and by year end, a plan had been adopted to bring this to fruition. The car park speed ramps were changed to reduce their

severity, and the grounds maintenance contract for the year continued with Warner. The woodlands management scheme in conjunction with the British Trust for Conservation Volunteers made significant progress, and Trustees were pleased to note local voluntary input. The winter maintenance schedule in the Williams Hall revealed some unexpected problems of damp which forced a closure in January for two weeks.

During the year Warner revealed plans to restore the Headmaster's Wing, and with a re-organisation of the Craft Village outlets, generously offered a shared occupancy of the Tudor Rooms for meetings and educational use. This has created a valuable resource for the Trust to use from 1997/98.

The Trust played host to a number of meetings during the year, including an excellent visit by the Trustees of the National Portrait Gallery, who were impressed by the energy of the Bodelwyddan organisation. Trustees also welcomed the AGM of the Council of Museums in Wales, and of Clwyd Fine Arts Trust, and now have representatives on each organisation. The Culture and Arts Sub-Committee of the County Council held a meeting at the Castle in September, followed by a tour of the facilities, and the Arts Council of Wales staged the prestigious Sir Ben Bowen Thomas Lecture in November given by Professor David Chrystal.

Amongst the issues considered by the Sub-Committees, the replacement of the audio guide was confirmed, and the new Interpreter wand was launched in March to critical acclaim. The Museum Sub-Committee had also steered the museum bid which was submitted to the Heritage Lottery Fund in June, and which received much support from all the partners. It was both a surprise and great disappointment that the bid was turned down in November, and this decision subsequently forced a review of direction. Trustees reaffirmed their intention to develop the special relationship with national organisations and agreed in principle a two-phased plan to represent the Red Galleries in the Williams Hall, and then to go on to seek the funding for a major new arts facility.

The Community Affairs Sub-Committee discussed and reviewed the events programme, agreed and launched a campaign providing free access to Denbighshire schools and information to Community Councils, worked up the benefits of Friends membership, and instigated a broad debate about perimeter charges that concluded with a reduction in the grounds charges from the early weeks of the 1997/98 season.

Throughout the year Trustees have balanced their aspirations for development and increased usage with a responsible concern for financial stability. These tensions are nothing new, and were reflected by the calling of an Extraordinary General Meeting in September that reviewed the charges for 1997/98. The enthusiasm and commitment of Trustees has been a major contributing factor to a lively year of debate and progress.

### VISITOR NUMBERS

Visitor numbers during 1996/97 were 67,641 in comparison with 55,318 in the previous year, representing an increase of 22%. The figures are encouraging in



overall terms but nevertheless highlight the need for reinvestment within the core attraction, and show a dependency upon outdoor events to contribute to the visitor numbers.

In general terms the attractions in North Wales reported a satisfactory season with a slight up-turn in the economy and variable weather patterns. The Trust's results reflect a greater drive for awareness and take up in the more local communities, and this should result in more longer term benefits to the Trust.

## ACTIVITIES

### a) Temporary Exhibitions

The Trust consolidated its special relationship with the National Library of Wales with a programme that included three exhibitions from Aberystwyth. The year began with the excellent portrayal of 'Lloyd George', and during the late summer and autumn 'John Nash in Wales' provoked much interest in the stunning architectural designs of buildings ranging from courthouses to mansions. The third of the trio displayed the work of photojournalist Geoff Charles, and created a great deal of media attention. It was an unexpected bonus that Geoff Charles, in his 90th year, was able to attend the opening.

In the late autumn another trio, 'A Denbighshire Trinity', traced the history of three of the County's historic properties. The exhibition was researched and presented by the County's Heritage Service, and showed some of the artefacts from the Castle's former gamekeeper's cottage. By way of contrast the summer exhibition was of Picasso drawings; a delightful show from the South Bank.

The exhibition programme remains restricted by space, and the use of galleries at different levels can reduce the element of continuity. Larger, unrestricted spaces are required to do justice to major shows, and this is recognised in the Trust's forward plans.

### b) Events

The events programme offered a diverse range of entertainment during the high season. From the Firework and Laser Concert to the Historic Vehicle Rally, and the Craft Fair to outdoor Shakespeare performances, the programme was well supported locally and brought much colour and vitality to the Castle. A highlight was the 999 Emergency Services Day that attracted four and a half thousand people and was an outstanding public relations activity.

Events can often represent a risk, and as with successes, so there were a couple of disappointments. Whilst the Steam Fair was poorly resourced by the organisers and will not be repeated, and a children's activity programme was over-ambitious, it is necessary to continuously look for cost effective events that can attract new visitors to the Castle and add to the profile.

c) Education

Educational visits continued to expand over the year with a wider range of workshops available and a continuation of the collaborative scheme with the Sea Life Centre at Rhyl. The free access to Denbighshire schools scheme was launched in the autumn, and it is anticipated that its effects will become apparent during 1997/98. Adult education classes continued through the Extra-mural department of Bangor University, and it is appropriate to record the thanks of Trustees to Glynis Shaw who has contributed in no small way to the educational activity.

During the year a short consultancy with Art and Society stimulated thinking about the way the collections were being used, and following wide-ranging discussions it was agreed that an Artist in Residence scheme should be pursued for the summer of 1997 utilising the environment of the Castle, prior to seeking support for a more extensive scheme.

THE ART FUND AND CURATORIAL WORK

The Art Fund was established by Clwyd County Council from the sale of surplus items at the time of purchase of the Castle. The Fund has transferred to the Trust and is maintained in a separate account. The purpose of the Fund is to assist with acquisitions and the conservation and interpretation of the collections, and to match fund grant aid in these areas.

The re-organisation of local government in Wales from April 1996 has enabled the Museums Officer of Denbighshire, Debbie Davies, to provide the curatorial and exhibitions services. As a member of the Heritage Service this has made for closer links between the Trust and the County, and Trustees are grateful for the County's continuing support.

The collections remain stable, and once again only a limited amount of conservation work was required during the year. Environmental conditions were closely monitored, and external doors were kept shut to reduce the fluctuations in humidity that were noted earlier. This is less welcoming to visitors, but necessary in the circumstances.

The winter maintenance period succeeded in cleaning the complex net curtains, some restoration work by the NPG working party, a programme of internal decoration, carpet repairs and underlay replacement, as well as the maintenance of locks and doors, and a thorough clean. The condition of the Williams Hall continues to receive very high praise from visitors, and the dedication and vigilance of the security and housekeeping teams is to be commended.

The new audio Interpreter wand system has added greatly to the interpretation of the collections and the historical context of the House, and the loan of an excellent portrait of the Bishop of Bangor, unveiled by Sir Lawrence Williams, has strengthened the family connections.

In the latter part of the year Trustees adopted an Acquisition and Disposal Policy for the following five years, and prepared a draft Loan and Management Agreement for consideration with the NPG in order to maintain continuity in 1998 when the present Agreement is scheduled for renewal.

## SALES

The Trust's operations in the Gift Shop and catering are under the auspices of the Trust's trading company, Bodelwyddan Castle Enterprises, as mentioned earlier in this review. The Company's Second Annual Report and Accounts provides details of the activities of the period. The valuable contribution that the Enterprises makes in support of the Trust is acknowledged with gratitude.

## THE FRIENDS ASSOCIATION

The Friends Association continues to support the Trust in a tangible way, and the Association is represented within the Trust body. An expanding and vibrant Association is recognised as a strong indicator of local support for the Trust, and over the year individual membership has grown to 800 representing a 25 per cent increase.

The Association organised lectures and trips and has continued to produce its own magazine. Volunteering support has been maintained, and a good profile made at the events where members have stewarded tables selling plants and cakes. Fifty members took part in a Volunteer Survey conducted nationally by the Carnegie Foundation/TSB.

The Friends AGM in January was well attended to hear an interesting talk by the Chief Executive of the Countryside Council for Wales. The new committee discussed with the Trust's management a revised package of benefits in relation to Friends membership, and these were implemented in April 1997.

## OVERVIEW

1996/97 has been a busy year. The complexities of local government re-organisation have been surmounted, and the liaison with the new County strengthened. Trustees have worked tirelessly to steer the organisation to increase its impact in the local community, and plan for new displays and facilities. The loss of the Museum Scheme was a blow, but one that has served to strengthen the resolve of the Trust to go forward with partners to firmly place the Castle on the arts map in this region.

We cannot progress without the support of our partners, and the keen assistance of all those associated with the work of the Trust, including our own staff, is gratefully acknowledged.

Bryn Hughes  
Director/Company Secretary

## BODELWYDDAN CASTLE TRUST

### TRUSTEES, ADVISORS AND PATRONS

	<u>Appointed</u>
1. Councillor Dilwyn Lloyd-Williams Denbighshire County Council (Chairman)	26 June 1996
2. Councillor Rhiannon Hughes Denbighshire County Council (Vice-Chair)	26 June 1996
3. Mr George Rushton, Managing Director Warner Holidays	28 Feb 1994
4. Mr Rex Evans, Operations Director Warner Holidays	28 Feb 1994
5. Dr June Arnold, Chairman Friends of Bodelwyddan Castle	28 Feb 1994
6. Mr Alan Bryan, Regional Managing Director Willis Corroon North Limited	7 Sept 1994
7. Mr Dewi Davies, Managing Director North Wales Tourism	5 May 1994
8. Mr Geoffrey Edwards, Solicitor, Former Chief Executive Colwyn Borough Council	28 June 1994
9. Alderman Jim Espley, Retired	28 Feb 1994
10. Mr Keith Evans, Chairman Arts Council of Wales, North Wales	28 June 1994
11. Mr Philip Eyton-Jones, Architect	17 July 1995
12. Mr Jack Patterson, Former Clerk Prestatyn Urban District Council	28 June 1994
13. Mr Mervyn Phillips, Solicitor, Former Chief Executive Clwyd County Council	28 Feb 1994
14. Mrs Glynis Shaw, Freelance Lecturer in art history	28 June 1994
15. Mr Llion Williams, Former Director North Wales Arts Association	28 Feb 1994

#### Ex Officio Member/Advisor

1. Dr Charles Saumarez-Smith, Director, The National Portrait Gallery
2. Mr Elwyn Conway, Retired
3. Mr Colin Drake, Surveyor

#### Patrons

1. The Marchioness of Anglesey
2. The Hon Lord Kenyon of Gredington
3. The Hon Lord Rees
4. The Lord Morris of Castle Morris

#### Company Secretary

Mr Bryn Hughes

## BODELWYDDAN CASTLE ENTERPRISES LTD

### REVIEW OF THE YEAR

#### CONSTITUTIONAL FRAMEWORK

Bodelwyddan Castle Trust was incorporated on 17 February 1994 to maintain, manage and develop the public's access to the Castle, and its estate, and the organisation became a Registered Charity in September 1994.

During this time discussions took place with the Charity Commission and the Trust was advised that permanent trading as envisaged was not charitable, and that a separate company should be established to undertake this work.

Bodelwyddan Castle Enterprises was incorporated on 7 October 1994 to manage the Trust's trading outlets and promote the charitable objects of the Trust. The first meeting of the Directors of the Company was held on 31 October 1994 at which the Deed of Covenant was sealed which provides for the annual profits of the Company, less tax, to be paid to the Trust. In essence this framework established the Enterprises Company as a wholly-owned subsidiary of the Trust. The Company employs no staff but pays to the Trust the apportionment of costs for the trading operation.

#### INITIAL TRADING ACTIVITY

The initial trading activity is described in the First Annual Report and Accounts (page 5) and suffice here to note that after an initial trading period of some eighteen months to the first declaration of covenant, the Enterprises and the Trust from April 1996 have achieved co-terminus accounting periods. The 1996/97 period now being reviewed, therefore, is the first full year to assess the true profitability of the Company.

#### THE 1996/97 YEAR

The Directors of the Company have had a full agenda at each of their meetings during the year. Whilst the operation of the Gift Shop and catering has been the primary concern, the Company has also assisted the Trust with background work and negotiations on property matters.

The St Asaph Lodge is a small property at the eastern boundary of the estate and is within the demise of the Trust. The property is unoccupied and in need of restoration in order to bring an income stream. Its location is important, guarding as it does the access to the estate and the cross-parkland trackway. Discussions have resulted in a scheme of restoration work being agreed and the appointment by tender of a local company to undertake the work. The Trust agreed that the capital funding could be taken from reserves with no loss of equity resulting.

The Company was successful in renegotiating the parkland rental with the tenant farmer. The assistance of the Land Agent from the Joint Agricultural Board of

Denbighshire and Flintshire is acknowledged, and the substantial uprating of the rental from 30 November 1996 for a three year term was finally achieved without recourse to arbitration.

Tied into these discussions was a mutual desire to review the parkland tenancy agreement, and by year end it had been agreed that the Enterprise Company, acting on behalf of the Trust, would appoint an independent agent to undertake this work.

The Directors expressed concern that rates were being charged by the local authority for areas of trading, and an approach was made to seek remission. The Company argued that it was not a commercial operation distributing a dividend, since all profits are covenanted to the Charitable Trust. The Company awaits a decision.

### THE TRADING YEAR

The Gift Shop and catering operation have had a good year with the turnover exceeding expectations and a resulting covenant above that predicted.

The Tea Room had a substantial face-lift at the start of the season with the installation of the Lowther College artefacts and memorabilia. With matching linen and curtains the facility has received much praise. We are grateful to the College Association and to the Council of Museums in Wales for their financial support. The facility is now known as the Lowther College Tea Room.

The arrangements whereby only Castle ticket holders can access the Tea Room has continued, with an outdoor service to the Terrace being operated from the external hatch and window. It is hoped that an external door can be agreed that will enable all users to benefit from the Tea Room ambience.

The limited accommodation can cause peaks of usage when coach parties arrive together, and a system of pre-ordering and staggered times has been successful in reducing congestion and waiting times. The catering operation has provided service to many of the outdoor events and indoor functions, and these have been a source of additional income. The reputation of the Tea Room for the small function trade is extremely high.

Planning for the 1997/98 events has aimed to increase the catering profitability by condensing the timescale and enabling an on-going catering facility to be available on the parkland during the high summer. This should reduce the labour-intensive setting-up and breaking down that was a feature this year.

The Gift Shop has continued to trade well and benefit from the access by hotel guests. A number of new self-branded lines have been introduced partly to offset the increased competition within the Courtyard Village cluster of outlets, and from within the hotel itself. It is important that conflicts in selling lines do not develop.

The Gift Shop offers a wide variety of merchandise to satisfy the very diverse customer base, and this has inevitably meant that stock levels are quite high, even

though many items are on a sale or return basis. Nevertheless a more targeted campaign is being developed.

The Directors are conscious that their two main outlets hold key locations within the complex, and are anxious to maximise profitability to benefit the Trust. The percentage gross profit is shown in the accounts, and shows a creditable increase over the initial trading period, albeit that this included two winters.

It would be remiss in my report not to pay the highest tribute to the staff of the Trust that manage and operate the Company's outlets. These are 'front-line' people whose level of customer service, sometimes in trying circumstances, is first class, and a great credit to all.

### THE COVENANT

When all is said and done our purpose is to pass to the Trust the maximum profits that the Company can attain. I am delighted that in this, our first year when our profits can be truly assessed, the Enterprise Company has exceeded its promise to the Trust.

It gives me great pleasure to present the Company's second annual report and accounts, and in so doing to thank my fellow Directors for their hard work, wisdom and sheer enthusiasm for our purpose to assist the promotion and development of the Bodelwyddan Castle Trust.

Bryn Hughes  
Company Secretary

BODELWYDDAN CASTLE ENTERPRISES LTD

A Private Limited Company incorporated on 7 October 1994  
Company No: 2976509 VAT No: 625448826

DIRECTORS OF THE COMPANY  
AS AT 31 MARCH 1997

- 1 Mr Geoffrey Edwards. Solicitor. Former Chief Executive, Colwyn  
Borough Council (Chairman)
- 2 Councillor Dilwyn Lloyd-Williams. Denbighshire County Council
- 3 Councillor Rhiannon Hughes. Denbighshire County Council
- 4 Mr Colin Drake. Surveyor
- 5 Mr Philip Eyton-Jones. Architect
- 6 Mr Bryn Hughes. Director, Bodelwyddan Castle Trust (Company Secretary)
- 7 Mrs Ann Thomas. Administration and Promotions Manager, Bodelwyddan  
Castle Trust.



AUDITORS' REPORT TO THE MEMBERS OF THE

BODELWYDDAN CASTLE TRUST

We have audited the financial statements on pages 17 to 25 which have been prepared under the historical cost convention and the accounting policies set out on page 21.

Respective responsibilities of trustees and auditors

As described on page 4 the charity's trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

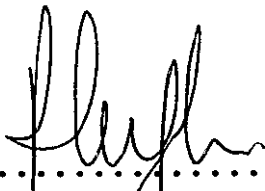
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant 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 the financial statements, and whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from any 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 group's affairs at 31st March 1997 and of its deficit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
.....

Phillips Salisbury  
Chartered Accountants  
and Registered Auditors  
Irish Square  
St. Asaph, Denbighshire

Date : 30<sup>th</sup> June 1997.....

BODELWYDDAN CASTLE TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31st MARCH 1997

		<u>General Funds</u>	<u>Designated Art Fund</u>	<u>Total Funds</u>	<u>1996</u>
	Notes	£	£	£	£
<b><u>INCOME AND EXPENDITURE</u></b>					
<b><u>Incoming Resources</u></b>					
Admissions		115,472	-	115,472	110,557
Events and Sundry Income		38,679	-	38,679	38,740
Donations and Sponsorship		674	-	674	2,587
Grants Received	3	219,351	-	219,351	280,678
Investment Income	4	58,118	3,748	61,866	59,394
Net Income of Trading Subsidiary	2	16,215	-	16,215	-
		-----	-----	-----	-----
Total Income		448,509	3,748	452,257	491,956
		-----	-----	-----	-----
<b><u>Resources Expended</u></b>					
Management and Administration	6	(457,651)	-	(457,651)	(496,437)
Net Expenditure of Trading Subsidiary	2	-	-	-	(645)
		-----	-----	-----	-----
Total Resources Expended		(457,651)	-	(457,651)	(497,082)
		-----	-----	-----	-----
Net Incoming Resources Before Transfers		(9,142)	3,748	(5,394)	(5,126)
Transfers Between Funds	10	5,550	(5,550)	-	-
		-----	-----	-----	-----
Net Incoming Resources for Year and Net Movement in Funds		(3,592)	(1,802)	(5,394)	(5,126)
Total Funds Brought Forward		135,305	60,290	195,595	200,723
		-----	-----	-----	-----
TOTAL FUNDS CARRIED FORWARD		131,713	58,488	190,201	195,597
		=====	=====	=====	=====

The notes on pages 21 to 25 form an integral part of these accounts.

BODELWYDDAN CASTLE TRUST  
CONSOLIDATED SUMMARY INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31st MARCH 1997

			<u>1996</u>
	Notes	£	£
<u>INCOME</u>			
Admissions		115,472	110,557
Events and Sundry Income		38,679	38,740
Donations and Sponsorship		674	2,587
Grants Received	3	219,351	280,678
Investment Income	4	61,866	59,394
Net Income of Trading Subsidiary	2	16,215	-
		-----	-----
Total Income		452,257	491,956
<u>EXPENDITURE</u>			
	6	(457,651)	(497,082)
		-----	-----
<u>(DEFICIT)/SURPLUS FOR THE PERIOD</u>		(5,394)	(5,126)
		=====	=====
<u>APPLIED</u>			
General Fund	10	(9,357)	(6,790)
Designated Arts Fund	11	3,748	2,309
Non Charitable Trading Fund	12	215	(645)
		-----	-----
		(5,394)	(5,126)
		=====	=====

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The trust had no recognised gains or losses other than the surplus/ (deficit) for the above two financial periods. The reported deficit was found under the historical cost convention.


The notes on pages 21 to 25 form an integral part of these accounts.


# BODELWYDDAN CASTLE TRUST

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 1997

				<u>1996</u>	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	7		42,773		49,822
			-----		-----
			42,773		49,822
<b>CURRENT ASSETS</b>					
Stocks		28,939		33,899	
Debtors	8	29,997		24,670	
Cash at bank and in hand		146,409		105,166	
		-----		-----	
		205,345		163,735	
<b>CREDITORS: Amounts falling due within one year</b>					
	9	(57,917)		(17,959)	
		-----		-----	
<b>NET CURRENT ASSETS</b>			147,428		145,776
			-----		-----
			190,201		195,598
			=====		=====
<b>FUNDS</b>					
General Fund	10		132,143		135,952
Designated Art Fund	11		58,488		60,290
Non Charitable Trading Funds	12		(430)		(645)
			-----		-----
			190,201		195,597
			=====		=====

The financial statements were approved by the council on 30th June 1997 and signed on its behalf by:-

..........  
Dilwyn Lloyd-Williams Chairman

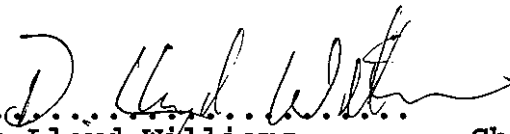
..........  
Dr. J. Arnold Trustee


The notes on pages 21 to 25 form an integral part of these accounts

BODELWYDDAN CASTLE TRUST  
COMPANY BALANCE SHEET AS AT 31st MARCH 1997

	<u>Notes</u>	£	£	£	<u>1996</u>
<b>FIXED ASSETS</b>					
Tangible Assets			41,886		49,498
Investments			20		20
			-----		-----
			41,906		49,518
<b>CURRENT ASSETS</b>					
Debtors		68,388		57,788	
Cash at Bank and In Hand		132,236		101,327	
		-----		-----	
		200,624		159,115	
CREDITORS: Amounts falling due within one year		(51,899)		(12,391)	
		-----		-----	
NET CURRENT ASSETS			148,725		146,724
			-----		-----
			190,631		196,242
			=====		=====
<b>FUNDS</b>					
General Fund	10		132,143		135,952
Designated Art Fund	11		58,488		60,290
			-----		-----
			190,631		196,242
			=====		=====

The financial statements were approved by the council on 30th June 1997  
and signed on its behalf by:-

.....  
Dilwyn Lloyd-Williams Chairman

.....  
Dr. J. Arnold Trustee

The notes on pages 21 to 25 form an integral part of these accounts

## BODELWYDDAN CASTLE TRUST

### NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1997

#### 1. ACCOUNTING POLICIES

##### Basis of Accounting

The accounts have been prepared under the historical cost convention, in accordance with the provisions of the Companies Act 1985 and Statement of Recommended Practice No. 2 Accounting by Charities.

##### Basis of Consolidation

The group financial statements consolidate the financial statements of the Trust and its subsidiary made up to 31st March 1997.

##### Cash Flow Statement

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 Company.

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

##### 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 Designated Arts Fund, in respect of capital expenditure, are credited to the Income and Expenditure account over the estimated useful life of the relevant fixed asset.

##### Depreciation

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

Fixtures and fittings	20% Straight line
-----------------------	-------------------

##### Taxation

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

## BODELWYDDAN CASTLE TRUST

### NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1997

#### 2. NET INCOME/ (EXPENDITURE) OF TRADING SUBSIDIARY

Bodelwyddan Castle Trust has a wholly owned trading subsidiary incorporated in the UK. The entire share capital of Bodelwyddan Castle Enterprises Limited was gifted to the Trust on 31st October 1994.

Bodelwyddan Castle Enterprises Limited operates the Gift Shop and Victorian Tea Room at Bodelwyddan Castle and covenants its taxable profits to the Trust.

A summary of its trading results for the year ended 31st March 1997 is shown below. Audited accounts have been filed with the Registrar of Companies.

#### Profit and Loss Account

		18 months to 31st March 1996
	£	£
Turnover	118,872	129,360
Cost of Sales	(60,585)	(78,513)
	-----	-----
Gross Profit	58,287	50,847
Administrative Expenses	(42,718)	(51,774)
	-----	-----
Operating Loss	15,569	(927)
Interest Receivable	646	282
	-----	-----
	16,215	(645)
Covenant paid to Trust	(16,000)	-
	-----	-----
Net Profit/(Loss) for Period	215	(645)
Retained in Subsidiary	=====	=====

# BODELWYDDAN CASTLE TRUST

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1997

### 3. GRANTS RECEIVED

Significant grants received include the following:

		<u>1996</u>
	£	£
Clwyd County Council	210,000	268,979
Council for Museums in Wales	3,777	2,645
Arts Council for Wales	725	2,798
Lowther Grant for showcases	2,500	2,500
Grant aid re: exhibitions	2,349	3,756
	-----	-----
	219,351	280,678
	=====	=====

### 4. INVESTMENT INCOME

	£	£
Rents Receivable	55,290	53,600
Interest Receivable		
- General Fund	2,828	3,485
- Designated Arts Fund	3,748	2,309
	-----	-----
	61,866	59,394
	=====	=====

### 5. SALARY INFORMATION

Average number of persons employed by the trust in the period	No	No
Administration	8	9
Museum Assistants	21	18
	-----	-----
	29	27
	=====	=====
Staff Costs incurred during the period in respect of these employees were :	£	£
wages and salaries	232,625	267,765
social security costs	17,975	18,164
	-----	-----
	250,600	285,929
	=====	=====



# BODELWYDDAN CASTLE TRUST

## NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1997

		<u>1996</u>
<u>6. EXPENDITURE</u>	£	£
Expenditure is stated after charging:		
Depreciation on tangible fixed assets	17,271	15,339
Auditors' remuneration		
- Audit services	1,000	1,000
- Consultancy and accountancy	4,000	4,000
	=====	=====
Auditors' remuneration in respect of the subsidiary undertaking:		
- Audit services	800	800
- Consultancy and accountancy	700	1,200
	=====	=====

## 7. TANGIBLE FIXED ASSETS

	<u>Fixtures &amp; fittings</u>
	£
<u>Cost</u>	
At 1st April 1996	77,102
Additions	10,464
	-----
At 31st March 1997	87,566
	-----
<u>Depreciation</u>	
At 1st April 1996	27,280
Charge for year	17,513
	-----
At 31st March 1997	44,793
	-----
<u>Net Book Values</u>	
As at 31st March 1997	42,773
	=====
As at 31st March 1996	49,822
	=====

## 8. DEBTORS

	£	£
Debtors	25,121	19,113
Prepayments	4,876	5,557
	-----	-----
	29,997	24,670
	=====	=====

BODELWYDDAN CASTLE TRUST

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1997

	<u>1996</u>	
<u>9. CREDITORS: Amounts falling due within one year</u>	£	£
Due to Denbighshire County Council	26,334	-
Other Creditors	21,922	13,813
Accruals	9,661	4,146
	-----	-----
	57,917	17,959
	=====	=====
 <u>10. GENERAL FUND</u>	 £	 £
At 1st April 1996	135,950	127,427
Deficit for the period	(9,357)	(6,790)
Transferred from Designated Arts Fund	5,550	15,315
	-----	-----
At 31st March 1997	132,143	135,952
	=====	=====
 <u>11. DESIGNATED ARTS FUND</u>	 £	 £
At 1st April 1996	60,290	73,296
Surplus for the year	3,748	5,157
	-----	-----
	64,038	78,453
Expenditure Grants	-	(508)
Capital Grants	-	(2,340)
Transferred to General Fund	(5,550)	(15,315)
	-----	-----
At 31st March 1997	58,488	60,290
	=====	=====
 <u>12. NON CHARITABLE TRADING FUND</u>	 £	 £
At 1st April 1996	(645)	-
Deficit for year	215	(645)
	-----	-----
At 31st March 1997	(430)	(645)
	=====	=====

BODELWYDDAN CASTLE TRUST

THIRD ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1997

CONTENTS

Introductory detail	Page 2
Chairman's Foreword	Page 3
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## BODELWYDDAN CASTLE TRUST

A Company Limited by Guarantee with Charitable Status

Registered in Wales No.2899285

Registered Charity No.1040969

The Trust's Mission Statement aims to reflect the charitable objects within the Memorandum and Articles of Association:

- i) The protection of the charitable and educational status of the Trust
- ii) The fullest understanding and support for the curatorial and educational objectives, and the retention of Museum Registration status
- iii) The achievement of maximum income consistent with a high quality visitor experience
- iv) The most cost effective use of earned income and grant support
- v) The call on annual funding from the host Authority, over and above the assured base, is minimised
- vi) Good neighbourliness towards the other site partners and communities which from time to time may be affected by the Trust's operations

At the final meeting of the year the Trust adopted the following statement:

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

The Trust's Registered Office is as follows:

Bodelwyddan Castle Trust, Bodelwyddan Castle, Bodelwyddan, Denbighshire LL18 5YA

Telephone: 01745 584060. The telephone is manned 24 hours a day.

Fax: 01745 584563

Contact: Bryn Hughes, Director/Company Secretary

Principal Bankers: National Westminster Bank plc, Rhyl, Denbighshire

Auditors: Phillips Salisbury, Chartered Accountants, Irish Square, St Asaph, Denbighshire LL17 0RN

Solicitors: Berryman's Lacey Mawer, Solicitors, Castle Chambers, 43 Castle Street, Liverpool L2 9SU

## CHAIRMAN'S FOREWORD

In my first year as Chairman it gives me great delight to present the third Annual Report and Accounts of the Bodelwyddan Castle Trust.

The Trust is indebted to Denbighshire County Council for the financial assistance, and their acknowledgement of the importance of Bodelwyddan Castle in the heritage and cultural services of the new County. This has led to a close working relationship with many departments of Denbighshire County Council, and in particular the Trust's senior staff leading the County's Heritage Service.

What have we achieved this past year? It has been a very busy year and at any time of change it has put our staff under a great deal of pressure, and I would like to thank them personally and on behalf of the Board of Trustees for their continued support over the past twelve months and throughout the establishment of the Trust. We are committed to achieving Investors in People, and are working closely with the Council of Museums in Wales on providing NVQ training for all our staff.

We see Bodelwyddan Castle as a Jewel in the crown for the local population and the tourist trade alike. We have established a Community Affairs sub committee to build closer links with the local community; we have adopted a policy of free entry for Denbighshire Schools; reduced the grounds only entrance fee by half; we have made provision for an Artist in Residence which will lead to a full three year funding proposal to the Welsh Arts Council; we have accommodated the highly acclaimed St Asaph Players with rehearsal rooms, and we have established a new package of benefits for Friends Memberships.

The low point of the year was the rejection by the Heritage Lottery Fund for the proposed Bodelwyddan Castle Museum; this bid was expensive in terms of resources and officer time over a three year period. The Museum sub committee is working on a new concept proposal for a major Lottery Bid. We are in negotiation with the National Portrait Gallery on new displays and interpretations of the Red Galleries with the aim of broadening the appeal to local and tourist visitors.

Finally I should like to thank the board of Trustees for their support, the staff and volunteers who have supported the new initiatives. We can never stand still and we must continue to move forward embracing change and building on the excellent foundations the Trust has established with its many partner organisations. Indeed I should like to express my thanks to all our partner organisations and look forward to continued joint working and successful ventures in the future.

Dilwyn Lloyd-Williams  
Chairman

## REPORT OF THE TRUSTEES

The Trustees submit their third report together with the audited financial statements for the year ended 31 March 1997.

### PRINCIPAL ACTIVITY

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 usage of all its facilities and services.

### REVIEW OF THE YEAR

A report highlighting the year is attached.

### RESULTS

The income and expenditure account shows the deficit for the period.

### TRUSTEES

The liability of the Trustees in the event of the Trust being wound up is limited to a sum not exceeding £1.

The Trustees met as a Council of Management on seven occasions during the period, and their names are shown on page 12.

In accordance with the Articles of Association of the Trust one third of the members shall retire from office (Article 46), and those who have been longest in office (Article 47) Mr Dewi Davies, Mr Keith Evans, Mr Rex Evans, Mr Geoffrey Edwards and Mrs Glynis Shaw are eligible, and with the exception of Mr Keith Evans, have offered themselves for re-election (Article 48).

### STATEMENT OF TRUSTEES RESPONSIBILITIES

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust for that period. In preparing the financial statements the Trustees are required to:

- i) Select suitable accounting policies and then applying them consistently

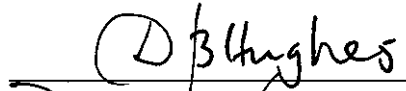
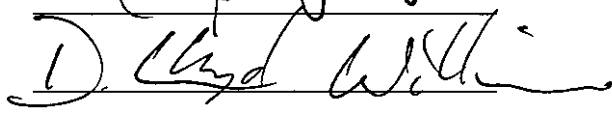
- ii) Make judgements and estimates that are reasonable and prudent
- iii) Prepare financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust, and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITORS

Phillips Salisbury, Chartered Accountants, of St Asaph, Denbighshire, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Approved by the Trustees and signed on their behalf by:

	D B Hughes (Company Secretary)
	D Lloyd-Williams (Chairman)
<u>30 June 1997</u>	Date

## REVIEW OF THE YEAR

### THE CONSTITUTIONAL FRAMEWORK AND FINANCIAL STRUCTURE

The constitutional framework and broad financial structure within which the Trust now operates was fully described in the First Annual Report, and by way of introduction it will suffice here to give a brief overview.

The former Clwyd County Council had operated the Castle as a museum and heritage attraction since 1988, and adopted a strategy in 1991 to seek a partnership arrangement at the Castle to help safeguard its future. An agreement was reached with Rank Holidays and Hotels Developments Ltd for the company to develop a holiday hotel on part of the site with a lease from the Council. The hotel opened in 1994 under the Warner branding.

In the meantime the Council agreed that the public facilities should be operated by an independent Trust, and the Private Limited Company was incorporated on 17 February 1994 with a lease for 125 years at a peppercorn rent. The Trust became a charity in September 1994, and its wholly-owned Enterprise Company, to deal with the non-charitable trading functions, was incorporated on 7 October 1994.

In addition to its own self-generated income the Trust receives an annual grant from the Council together with payments from Warner permitting the hotel's guests to view the Trust's facilities. In addition the hotel's lease payment reverts to the Trust, and the Enterprise company covenants its profits to the Trust. These partnership funding sources, together with applications for external grant support, provides a reasonable base from which the Trust can operate.

On 1 April 1996 local government in Wales was re-organised with single tier authorities, and the responsibilities of the demised Clwyd County Council fell to the new all-purpose Denbighshire County Council. It is pleasing to report that a smooth transition was achieved, with the new authority both nominating its two Members to join the Trust, and making an award of grant. Within the re-organisation, however, the Trust's management team adopted wider responsibilities to lead and support the County's Heritage Service. A management service fee was agreed which helped to offset a reduction in the grant settlement.

The arrangements with the new authority have worked well and offered a more structured liaison and networking between the Trust and the authority. The Trust is grateful for the supporting services that Denbighshire has continued to provide.

### THE ENTERPRISE COMPANY

Bodelwyddan Castle Enterprises Limited was formed upon the advice of the Charity Commission to manage and operate the trading functions on behalf of the Trust. It has a share capital of 20 £1 ordinary shares, and now has seven Directors. The Directors gifted their shares by depositing their share certificates with the Trust. A Deed of Covenant with the Trust was created that provides for the profits of the



Company, less tax, to be donated to the Trust on an annual basis. The declaration of profit is made two months in advance of the year end, and adjusted subsequently if required.

The Company began operating the Trust's Gift Shop in November 1994, and the Tea Room with effect from April 1995 at the conclusion of a franchise with Warner. The Trust and the Enterprises now have co-terminus accounting periods which reflects both the Enterprise Company's profitability, and lines up with the Trust's annual budget cycle.

### STAFFING

The Trust has continued to operate with a mix of seconded local authority staff and that of its own. Presently Denbighshire County Council employs 19 staff, and the Trust directly employs 10. There has been no change in establishment numbers during the year, nor in the balance between the two employers. The Trust's Management Team has been additionally involved with the work of the County Heritage Service within the Cultural Services Department, and this activity is reported to Trustees at their meetings.

A variety of staff training and development work has been undertaken, and will be progressed towards the Investors in People Award in tandem with the County's timetable in 1997/98.

The commitment and enthusiasm of staff at every level is acknowledged and the continuance of multi-skilling where appropriate and acceptance of day to day responsibility has been a creditable feature. This is particularly true since the year has been a period of some uncertainty for staff with a continuing squeeze on expenditure. At the same time Trustees have had to consider the implications of possible future employment legislation, local authority single status arrangements, and the disparities between staff working at the Castle. The year ended with the Trust undertaking a review which will be carried forward into 1997/98.

### AN OVERVIEW OF THE TRUSTEES' WORK

Members considered a wide variety of matters in their stewardship of the Trust during 1996/97. The Council of Management had previously operated with a Museum Sub-Committee which assisted with the museum bid to the Heritage Lottery Fund, and whilst this continued, the wish of the Trustees to increase awareness and impact in the more local community, led to the establishment of the Community Affairs Sub-Committee that met for the first time in September 1996 under the Chairmanship of Councillor Rhiannon Hughes.

The Trust, with the support of its Enterprise Company, succeeded in renegotiating the parkland rental and established a framework for reviewing the overall parkland agreement. The St Asaph Lodge, having been incorporated within the Trust's demise the previous year, required restoration, and by year end, a plan had been adopted to bring this to fruition. The car park speed ramps were changed to reduce their

severity, and the grounds maintenance contract for the year continued with Warner. The woodlands management scheme in conjunction with the British Trust for Conservation Volunteers made significant progress, and Trustees were pleased to note local voluntary input. The winter maintenance schedule in the Williams Hall revealed some unexpected problems of damp which forced a closure in January for two weeks.

During the year Warner revealed plans to restore the Headmaster's Wing, and with a re-organisation of the Craft Village outlets, generously offered a shared occupancy of the Tudor Rooms for meetings and educational use. This has created a valuable resource for the Trust to use from 1997/98.

The Trust played host to a number of meetings during the year, including an excellent visit by the Trustees of the National Portrait Gallery, who were impressed by the energy of the Bodelwyddan organisation. Trustees also welcomed the AGM of the Council of Museums in Wales, and of Clwyd Fine Arts Trust, and now have representatives on each organisation. The Culture and Arts Sub-Committee of the County Council held a meeting at the Castle in September, followed by a tour of the facilities, and the Arts Council of Wales staged the prestigious Sir Ben Bowen Thomas Lecture in November given by Professor David Chrystal.

Amongst the issues considered by the Sub-Committees, the replacement of the audio guide was confirmed, and the new Interpreter wand was launched in March to critical acclaim. The Museum Sub-Committee had also steered the museum bid which was submitted to the Heritage Lottery Fund in June, and which received much support from all the partners. It was both a surprise and great disappointment that the bid was turned down in November, and this decision subsequently forced a review of direction. Trustees reaffirmed their intention to develop the special relationship with national organisations and agreed in principle a two-phased plan to represent the Red Galleries in the Williams Hall, and then to go on to seek the funding for a major new arts facility.

The Community Affairs Sub-Committee discussed and reviewed the events programme, agreed and launched a campaign providing free access to Denbighshire schools and information to Community Councils, worked up the benefits of Friends membership, and instigated a broad debate about perimeter charges that concluded with a reduction in the grounds charges from the early weeks of the 1997/98 season.

Throughout the year Trustees have balanced their aspirations for development and increased usage with a responsible concern for financial stability. These tensions are nothing new, and were reflected by the calling of an Extraordinary General Meeting in September that reviewed the charges for 1997/98. The enthusiasm and commitment of Trustees has been a major contributing factor to a lively year of debate and progress.

### VISITOR NUMBERS

Visitor numbers during 1996/97 were 67,641 in comparison with 55,318 in the previous year, representing an increase of 22%. The figures are encouraging in

overall terms but nevertheless highlight the need for reinvestment within the core attraction, and show a dependency upon outdoor events to contribute to the visitor numbers.

In general terms the attractions in North Wales reported a satisfactory season with a slight up-turn in the economy and variable weather patterns. The Trust's results reflect a greater drive for awareness and take up in the more local communities, and this should result in more longer term benefits to the Trust.

## ACTIVITIES

### a) Temporary Exhibitions

The Trust consolidated its special relationship with the National Library of Wales with a programme that included three exhibitions from Aberystwyth. The year began with the excellent portrayal of 'Lloyd George', and during the late summer and autumn 'John Nash in Wales' provoked much interest in the stunning architectural designs of buildings ranging from courthouses to mansions. The third of the trio displayed the work of photojournalist Geoff Charles, and created a great deal of media attention. It was an unexpected bonus that Geoff Charles, in his 90th year, was able to attend the opening.

In the late autumn another trio, 'A Denbighshire Trinity', traced the history of three of the County's historic properties. The exhibition was researched and presented by the County's Heritage Service, and showed some of the artefacts from the Castle's former gamekeeper's cottage. By way of contrast the summer exhibition was of Picasso drawings; a delightful show from the South Bank.

The exhibition programme remains restricted by space, and the use of galleries at different levels can reduce the element of continuity. Larger, unrestricted spaces are required to do justice to major shows, and this is recognised in the Trust's forward plans.

### b) Events

The events programme offered a diverse range of entertainment during the high season. From the Firework and Laser Concert to the Historic Vehicle Rally, and the Craft Fair to outdoor Shakespeare performances, the programme was well supported locally and brought much colour and vitality to the Castle. A highlight was the 999 Emergency Services Day that attracted four and a half thousand people and was an outstanding public relations activity.

Events can often represent a risk, and as with successes, so there were a couple of disappointments. Whilst the Steam Fair was poorly resourced by the organisers and will not be repeated, and a children's activity programme was over-ambitious, it is necessary to continuously look for cost effective events that can attract new visitors to the Castle and add to the profile.

c) Education

Educational visits continued to expand over the year with a wider range of workshops available and a continuation of the collaborative scheme with the Sea Life Centre at Rhyl. The free access to Denbighshire schools scheme was launched in the autumn, and it is anticipated that its effects will become apparent during 1997/98. Adult education classes continued through the Extra-mural department of Bangor University, and it is appropriate to record the thanks of Trustees to Glynis Shaw who has contributed in no small way to the educational activity.

During the year a short consultancy with Art and Society stimulated thinking about the way the collections were being used, and following wide-ranging discussions it was agreed that an Artist in Residence scheme should be pursued for the summer of 1997 utilising the environment of the Castle, prior to seeking support for a more extensive scheme.

THE ART FUND AND CURATORIAL WORK

The Art Fund was established by Clwyd County Council from the sale of surplus items at the time of purchase of the Castle. The Fund has transferred to the Trust and is maintained in a separate account. The purpose of the Fund is to assist with acquisitions and the conservation and interpretation of the collections, and to match fund grant aid in these areas.

The re-organisation of local government in Wales from April 1996 has enabled the Museums Officer of Denbighshire, Debbie Davies, to provide the curatorial and exhibitions services. As a member of the Heritage Service this has made for closer links between the Trust and the County, and Trustees are grateful for the County's continuing support.

The collections remain stable, and once again only a limited amount of conservation work was required during the year. Environmental conditions were closely monitored, and external doors were kept shut to reduce the fluctuations in humidity that were noted earlier. This is less welcoming to visitors, but necessary in the circumstances.

The winter maintenance period succeeded in cleaning the complex net curtains, some restoration work by the NPG working party, a programme of internal decoration, carpet repairs and underlay replacement, as well as the maintenance of locks and doors, and a thorough clean. The condition of the Williams Hall continues to receive very high praise from visitors, and the dedication and vigilance of the security and housekeeping teams is to be commended.

The new audio Interpreter wand system has added greatly to the interpretation of the collections and the historical context of the House, and the loan of an excellent portrait of the Bishop of Bangor, unveiled by Sir Lawrence Williams, has strengthened the family connections.

In the latter part of the year Trustees adopted an Acquisition and Disposal Policy for the following five years, and prepared a draft Loan and Management Agreement for consideration with the NPG in order to maintain continuity in 1998 when the present Agreement is scheduled for renewal.

## SALES

The Trust's operations in the Gift Shop and catering are under the auspices of the Trust's trading company, Bodelwyddan Castle Enterprises, as mentioned earlier in this review. The Company's Second Annual Report and Accounts provides details of the activities of the period. The valuable contribution that the Enterprises makes in support of the Trust is acknowledged with gratitude.

## THE FRIENDS ASSOCIATION

The Friends Association continues to support the Trust in a tangible way, and the Association is represented within the Trust body. An expanding and vibrant Association is recognised as a strong indicator of local support for the Trust, and over the year individual membership has grown to 800 representing a 25 per cent increase.

The Association organised lectures and trips and has continued to produce its own magazine. Volunteering support has been maintained, and a good profile made at the events where members have stewarded tables selling plants and cakes. Fifty members took part in a Volunteer Survey conducted nationally by the Carnegie Foundation/TSB.

The Friends AGM in January was well attended to hear an interesting talk by the Chief Executive of the Countryside Council for Wales. The new committee discussed with the Trust's management a revised package of benefits in relation to Friends membership, and these were implemented in April 1997.

## OVERVIEW

1996/97 has been a busy year. The complexities of local government re-organisation have been surmounted, and the liaison with the new County strengthened. Trustees have worked tirelessly to steer the organisation to increase its impact in the local community, and plan for new displays and facilities. The loss of the Museum Scheme was a blow, but one that has served to strengthen the resolve of the Trust to go forward with partners to firmly place the Castle on the arts map in this region.

We cannot progress without the support of our partners, and the keen assistance of all those associated with the work of the Trust, including our own staff, is gratefully acknowledged.

Bryn Hughes  
Director/Company Secretary

## BODELWYDDAN CASTLE TRUST

### TRUSTEES, ADVISORS AND PATRONS

	<u>Appointed</u>
1. Councillor Dilwyn Lloyd-Williams Denbighshire County Council (Chairman)	26 June 1996
2. Councillor Rhiannon Hughes Denbighshire County Council (Vice-Chair)	26 June 1996
3. Mr George Rushton, Managing Director Warner Holidays	28 Feb 1994
4. Mr Rex Evans, Operations Director Warner Holidays	28 Feb 1994
5. Dr June Arnold, Chairman Friends of Bodelwyddan Castle	28 Feb 1994
6. Mr Alan Bryan, Regional Managing Director Willis Corroon North Limited	7 Sept 1994
7. Mr Dewi Davies, Managing Director North Wales Tourism	5 May 1994
8. Mr Geoffrey Edwards, Solicitor, Former Chief Executive Colwyn Borough Council	28 June 1994
9. Alderman Jim Espley, Retired	28 Feb 1994
10. Mr Keith Evans, Chairman Arts Council of Wales, North Wales	28 June 1994
11. Mr Philip Eyton-Jones, Architect	17 July 1995
12. Mr Jack Patterson, Former Clerk Prestatyn Urban District Council	28 June 1994
13. Mr Mervyn Phillips, Solicitor, Former Chief Executive Clwyd County Council	28 Feb 1994
14. Mrs Glynis Shaw, Freelance Lecturer in art history	28 June 1994
15. Mr Llion Williams, Former Director North Wales Arts Association	28 Feb 1994

Ex Officio Member/Advisor

1. Dr Charles Saumarez-Smith, Director, The National Portrait Gallery
2. Mr Elwyn Conway, Retired
3. Mr Colin Drake, Surveyor

Patrons

1. The Marchioness of Anglesey
2. The Hon Lord Kenyon of Gredington
3. The Hon Lord Rees
4. The Lord Morris of Castle Morris

Company Secretary

Mr Bryn Hughes

AUDITORS' REPORT TO THE MEMBERS OF THE  
BODELWYDDAN CASTLE TRUST

We have audited the financial statements on pages 15 to 22 which have been prepared under the historical cost convention and the accounting policies set out on page 18.

Respective responsibilities of trustees and auditors

As described on page 4 the charity's trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

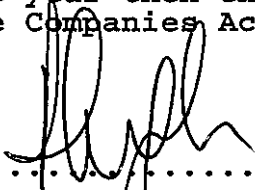
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant 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 the financial statements, and whether the accounting policies are appropriate to the trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from any 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 trust's affairs at 31st March 1997 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....

Phillips Salisbury  
Chartered Accountants  
and Registered Auditors  
Irish Square  
St. Asaph, Denbighshire

Date : 30<sup>th</sup> June 1997 .....



BODELWYDDAN CASTLE TRUST  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31st MARCH, 1997

	Notes	General Fund £	Designated Art Fund £	Total Funds £	1996 £
<u>INCOME AND EXPENDITURE</u>					
<u>Incoming Resources</u>					
Admissions		115,472	-	115,472	110,557
Events and Sundry Income		38,679	-	38,679	38,740
Donations and Sponsorship		674	-	674	2,587
Grants Received	3	219,351	-	219,351	280,678
Investment Income	4	58,118	3,748	61,866	59,394
Covenanted Income		16,000	-	16,000	-
		-----	-----	-----	-----
Total Income		448,294	3,748	452,042	491,956
		-----	-----	-----	-----
<u>Resources Expended</u>					
Management and Administration	6	(457,651)	-	(457,651)	(496,437)
		-----	-----	-----	-----
Net Incoming/(Outgoing) Resources Before Transfers		(9,357)	3,748	(5,609)	(4,481)
Transfers Between Funds		5,550	(5,550)	-	-
		-----	-----	-----	-----
Net Incoming/(Outgoing) Resources for Year and Net Movement in Funds		(3,807)	(1,802)	(5,609)	(4,481)
Total Funds Brought Forward		135,950	60,290	196,240	200,723
		-----	-----	-----	-----
TOTAL FUNDS CARRIED FORWARD		132,143	58,488	190,631	196,242
		=====	=====	=====	=====

The notes on pages 18 to 22 form an integral part of these accounts

BODELWYDDAN CASTLE TRUST  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31st MARCH, 1997

			<u>1996</u>
	<u>Notes</u>	£	£
<u>INCOME</u>			
Admissions		115,472	110,557
Events and Sundry Income		38,679	38,740
Donations and Sponsorship		674	2,587
Grants Received	3	219,351	280,678
Investment Income	4	61,866	59,394
Covenant Income		16,000	-
		-----	-----
Total Income		452,042	491,956
<u>EXPENDITURE</u>	6	(457,651)	(496,437)
		-----	-----
<u>SURPLUS/(DEFICIT) FOR THE YEAR</u>		(5,609)	(4,481)
		=====	=====
<u>APPLIED</u>			
General Fund	11	(9,357)	(6,790)
Designated Arts Fund	12	3,748	2,309
		-----	-----
		(5,609)	(4,481)
		=====	=====

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The trust had no recognised gains or losses other than the surplus/(deficit) for the above two financial years. The reported deficit was found under the historical cost convention.

The notes on pages 18 to 22 form an integral part of these accounts.

BODELWYDDAN CASTLE TRUST


BALANCE SHEET AS AT 31st MARCH, 1997

				<u>1996</u>
	<u>Notes</u>	£	£	£
<b>FIXED ASSETS</b>				
Tangible Assets	7		41,886	49,498
Investments	8		20	20
			-----	-----
			41,906	49,518
<b>CURRENT ASSETS</b>				
Debtors	9	68,388		57,788
Cash at Bank and In Hand		132,236		101,327
		-----		-----
		200,624		159,115
CREDITORS: Amounts falling due within one year	10	(51,899)		(12,391)
		-----		-----
<b>NET CURRENT ASSETS</b>			148,725	146,724
			-----	-----
			190,631	196,242
			=====	=====
<b>FUNDS</b>				
General Fund	11		132,143	135,952
Designated Art Fund	12		58,488	60,290
			-----	-----
			190,631	196,242
			=====	=====

The financial statements were approved by the council on 30th June 1997..  
and signed on its behalf by:-

  
.....  
Dilwyn Lloyd-Williams

Chairman

  
.....  
Dr. J. Arnold

Trustee

The notes on pages 18 to 22 form an integral part of these accounts

BODELWYDDAN CASTLE TRUST

NOTES TO THE ANNUAL ACCOUNTS

FOR THE YEAR ENDED 31st MARCH 1997

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention, in accordance with the provisions of the Companies Act 1985 and Statement of Recommended Practice, Accounting by Charities.

Cash Flow Statement

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 is prudent to do so, exclusive of VAT.

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 Designated Arts Fund, in respect of capital expenditure, are credited to the income and expenditure account over the estimated useful life of the relevant fixed asset.

Depreciation

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

Fixtures and Fittings

20% Straight line

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 TRANSACTIONS

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

The total amount owed to the Trust at 31st March 1997 was £36,639 (1996 £33,990).

BODELWYDDAN CASTLE TRUST  
NOTES TO THE ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH 1997

3. GRANTS RECEIVED

	<u>1997</u>	<u>1996</u>
Significant grants received include the following:		
	£	£
Denbighshire County Council	210,000	268,979
Council for Museums in Wales	3,777	2,645
Arts Council for Wales	725	2,798
Lowther grant for showcases	2,500	2,500
Grant aid re: exhibitions	2,349	3,756
	-----	-----
	219,351	280,678
	=====	=====

4. INVESTMENT INCOME

	<u>1997</u>	<u>1996</u>
	£	£
Rents Receivable	55,290	53,600
Interest Receivable		
- General Fund	2,828	3,485
- Designated Arts Fund	3,748	2,309
	-----	-----
	61,866	59,394
	=====	=====

5. SALARY INFORMATION

	<u>1997</u>	<u>1996</u>
Average number of persons employed by the trust in the period :	<u>No</u>	<u>No</u>
Administration	8	9
Museum Assistants	21	18
	-----	-----
	29	27
	=====	=====
Staff Costs incurred during the period in respect of these employees were :	£	£
Wages and Salaries	232,625	267,765
Social Security Costs	17,975	18,164
	-----	-----
	250,600	285,929
	=====	=====

BODELWYDDAN CASTLE TRUST  
NOTES TO THE ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH 1997

6. EXPENDITURE

	<u>1997</u> £	<u>1996</u> £
Expenditure is stated after charging:		
Depreciation on Tangible Fixed Assets	17,271	15,339
Auditors' Remuneration		
- Audit Services	1,000	1,000
- Consultancy and Accountancy	4,000	4,000
	=====	=====

7. FIXED ASSETS

	<u>Fixtures &amp; Fittings</u> £
<u>Cost</u>	
At 1st April 1996	76,697
Additions	9,659
	-----
At 31st March 1997	86,356
	=====
<u>Depreciation</u>	
At 1st April 1996	27,199
Charge for year	17,271
	-----
At 31st March 1997	44,470
	=====
<u>Net Book Values</u>	
As at 31st March 1997	41,886
	=====
As at 31st March 1996	49,498
	=====

BODELWYDDAN CASTLE TRUST  
NOTES TO THE ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH 1997

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 1997.

Its principal activity is the sale of gifts and souvenirs from premises at Bodelwyddan Castle.

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

	<u>1997</u>	<u>1996</u>
	£	£
20 £1 Ordinary Shares held in group undertaking stated at nominal value	20 =====	20 =====
Aggregate capital and reserves at 31st March 1997:	20 =====	
Profit for the year ended 31st March 1997 :	645 =====	

9. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Amounts owed by Group Undertaking	36,639	33,990
Debtors	23,033	15,760
Other Debtors and Prepayments	8,716 -----	8,038 -----
	68,388 =====	57,788 =====

10. CREDITORS: Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Owed to Denbighshire County Council	26,334	-
Trade Creditors	17,403	10,241
Accruals	8,162 -----	2,150 -----
	51,899 =====	12,391 =====

BODELWYDDAN CASTLE TRUST  
NOTES TO THE ANNUAL ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH 1997

11. GENERAL FUND

	<u>1997</u>	<u>1996</u>
	£	£
At 1st April 1996	135,950	127,427
Surplus/(Deficit) for the Year	(9,357)	(6,790)
Transfer from Designated Arts Fund	5,550	15,315
	-----	-----
At 31st March 1997	132,143	135,952
	=====	=====

12. DESIGNATED ARTS FUND

	<u>1997</u>	<u>1996</u>
	£	£
At 1st April 1996	60,290	73,296
Surplus for the year	3,748	5,157
	-----	-----
	64,038	78,453
Expenditure Grants	-	(508)
Capital Grants	-	(2,340)
Transferred to General Fund	(5,550)	(15,315)
	-----	-----
At 31st March 1997	58,488	60,290
	=====	=====