

BODELWYDDAN CASTLE TRUST
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TENTH ANNUAL REPORT
AND
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 MARCH 2004

BODELWYDDAN CASTLE TRUST
REGISTERED IN WALES No. 2899285
REGISTERED CHARITY No. 1040969

BODELWYDDAN CASTLE TRUST

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004

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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

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 need.

The Trust's Registered Office is as follows:

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

Telephone: 01745 584060

Fax: 01745 584563

Contact: Kevin Mason, Company Secretary

Principal Bankers: Nat West Bank plc, Rhyl, Denbighshire

Auditors: Royce Peeling Green, Chartered Accountants, Irish Square,
St Asaph, Denbighshire LL17 0RN

REPORT OF THE TRUSTEES

The Trustees submit their tenth report together with the audited financial statements for the year ended 31 March 2004.

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 surplus 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 four occasions during the period, and their names are shown on page 7 together with any variations in the numbers of Trustees during the period.

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 apply 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.


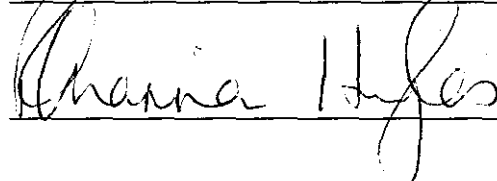

The Council of Management of Bodelwyddan Castle Trust wish to ensure the highest level of safety and welfare of the visiting public, the employees of the Trust, and the property administered by the Trust. To this end they will: establish a Risk Management Sub-committee to advise Trustees on the steps 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.

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.

AUDITORS

Royce Peeling Green, 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:

K S Mason (Company Secretary)

R. Hughes (Chairman)

Date

BODELWYDDAN CASTLE TRUST
CHAIRMAN'S STATEMENT

The Trust continues to move forward in its work of ensuring access and learning using the facilities it operates and the national collections it administers. The opening of the new galleries was an event that highlighted the partnerships that are the focus of the Trust's work. It is quite clear that, without such support, the valuable educational role of the Trust would not be fulfilled. At the opening of these prestigious new galleries I was pleased to acknowledge the financial support made available through the National Portrait Gallery, Heritage Lottery Fund and others. Underpinning this capital development work, the success of the Trust is built on a sound foundation of financial support from Denbighshire County Council for which the Trust remains very grateful.

The Trust has shown that it can achieve significant service development during this year. The future holds opportunities for further improvements to our educational role and the way in which we work together with partner bodies. The new galleries will attract special exhibitions from a variety of sources and will also act as a foundation for educational work at the Castle.

The year has been one of significant success but it should not be forgotten that this has only been possible with the continued support and dedication of the staff at the Castle. The refurbishment work caused some major upheaval and a number of difficult moments but the staff maintained their enthusiasm throughout. The Trust must retain a prudent and tightly controlled budget and inevitably this means further restrictions on staff numbers. I am grateful to all the staff for their hard work and unerring wish to ensure the maximum level of service to the public within the financial controls that are applied.

Rhiannon Hughes
Chair

BODELWYDDAN CASTLE TRUST
REVIEW OF THE YEAR

The year has been a difficult one for the Trust but has also been a period of some significance. The refurbishment of the first floor galleries remained a primary focus and the opening of the new areas that resulted from this collaborative scheme early in the year was a milestone in the Trust's history. The development had some knock on effects both positive and negative. It is inevitable that a major refurbishment will bring with it some disruption to services and this was quite evident during the year. On the positive side though, the Trust can now look forward to a period of enhanced public service using the new permanent and changing exhibition areas.

It is important to restate the background to the galleries refurbishment work. The scheme has been made possible with financial support from the National Portrait Gallery (Department of Culture Media and Sport), Heritage Lottery Fund and the Council of Museums in Wales. The development of new permanent interpretation galleries will add to the educational potential of the Castle's displays making them more accessible to a wider range of the community. In addition, the completion of the new changing exhibition spaces will allow the Trust an opportunity to develop a full programme of occasional exhibitions including many from our national collections.

Staffing levels remain at a very low level and once again only a small improvement has been possible during the year. Prudent control over finances is an essential element of the Trust's day-to-day activities, especially as inflationary pressures continue to bear down on the budget. The strategy of the Trust is that of establishing a development reserve that will help to ensure continued growth in services in future years. To this end, expenditure levels have remained under firm control and this has meant a strict control on staff numbers, throughout the organisation but particularly at management and administrative level. Clearly the lack of staff has an impact on service but this has been maintained at a high level due to the dedication of staff and their clear understanding of the priorities for the Trust's work.

The constitutional framework and financial structure of the Trust remain as described in previous annual reports. As an independent charitable company, the Trust has responsibility for the custodianship of public finances. These finances include a significant contribution from Denbighshire County Council for which the Trust is very grateful.

BODELWYDDAN CASTLE TRUST
TRUSTEES, ADVISORS AND PATRONS

Councillor Rhiannon Hughes (Chair)	appointed by Denbighshire CC 27 th August 1999
Councillor Richard Jones	appointed by Denbighshire CC 27 th August 1999
Mr Joe Stenson	appointed by Warner Holidays Ltd. 17 Sept 1998
Mr Terry Sterling	appointed by Warner Holidays Ltd 21 st November 2003
Mr Mervyn Phillips	appointed 28 Feb 1994; reappointed 27 th August 1999
Mr Llion Williams	appointed 28 Feb 1994; reappointed 19 th October 2000
Mr Alan Bryan	appointed 7 Sept 1994 reappointed 8 th November 2002
Mr Philip Eyton-Jones	appointed 17 July 1995; reappointed 27 th August 1999
Dr June Arnold	appointed 27 th August 1999; reappointed 21 st November 2003
Mr Aldham Robarts	appointed 27 th August 1999; reappointed 21 st November 2003
Mrs Anne Waller	appointed 27 th August 1999; reappointed 21 st November 2003
Mr Alex Bell	appointed 2 nd November 2001
Dr Ken Davies	appointed 2 nd November 2001 (formerly appointed by the Friends of Bodelwyddan Castle until 2 nd November 2001)

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

Patrons

The Marchioness of Anglesey
The Hon Lord Rees

Company Secretary

Dr Kevin Mason

REVIEW OF THE YEAR

Bodelwyddan Castle Enterprises Ltd. was incorporated on the 7 October 1994 to manage the Bodelwyddan Castle Trust's trading outlets and promote the charitable objects of the Trust. The Company employs no staff but pays to the Trust the apportionment of costs for the trading operation. The main trading activities undertaken by the Company involve providing a service to Trust customers within the Castle Gift Shop. In addition the Company has continued to act on behalf of the Trust in the refurbishment and letting of St Asaph Lodge. Additional trading activities include the letting of the Castle events field to event organisers and the provision of space for civil marriage ceremonies within the terms of a licence granted to the Trust.

The Enterprises Company wishes to ensure an optimum level of covenant to support the Trust's work. The results for the year indicate an improvement in the level of covenant to the Trust compared with last year. Putting the level of improvement in context, it is important to note that more work has been completed in refining the true operating costs and as a result there is an apparent increase in operating expenses compared with the previous year. Clearly, the Company is not only showing an improving return but is also maintaining a better understanding of true operating costs.

BODELWYDDAN CASTLE ENTERPRISES LIMITED

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

DIRECTORS OF THE COMPANY
AS AT 31 MARCH 2003

Mr Philip Eyton-Jones (Chair)
Councillor Rhiannon Hughes, MBE
Mr Colin Drake
Cllr Patrick Heesom
Mr Aldham Robarts, DL
Mrs Anne Waller
Dr Ken Davies
Dr Kevin Mason, Director Bodelwyddan Castle Trust

Company Secretary:
Dr Kevin Mason, Director Bodelwyddan Castle Trust

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 11 to 20 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 15.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS 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 we require 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.

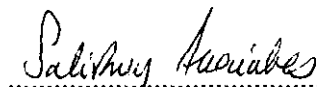
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practises 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 assesment of the significant estimates and judgements made by the trustees in the preperation of the 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 considered 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 and the groups affairs as at 31 March 2004 and of its incoming resources and application of resources, including it's income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Salisbury Associates
Chartered Accountants
Registered Auditors
Irish Square
St Asaph
Denbighshire
LL17 0RN

22nd November 2004

BODELWYDDAN CASTLE TRUST**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2004**

				2003
	Notes	£ General Fund	£ Designated Arts Fund	£ Total Fund
INCOME & EXPENDITURE				
Incoming Resources				
Admission charges		117,810	0	117,810
Events and sundry income		633	0	633
Grants received	3	236,708	0	236,708
Investment income	4	70,587	875	71,462
Net income of trading subsidiary	2	25,360	0	25,360
Other income receivable as turnover income		3,374	0	3,374
Total Income		454,472	875	455,347
Resources Expended				
Management and administration	6	(427,521)	0	(427,521)
Incoming/(outgoing) resources before transfers		26,951	875	27,826
Total funds brought forward		269,284	67,598	279,466
Total funds carried forward		296,235	68,473	307,292

The notes on pages 15 to 20 form part of these financial statements

BODELWYDDAN CASTLE TRUST**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004**

		2004	2003
		£	£
	Notes		
INCOME			
Admission charges		117,810	115,177
Events and sundry income		633	0
Grants received	3	236,708	194,000
Net income of trading subsidiary	2	25,360	19,386
Investment income	4	71,462	76,255
Other income receivable as turnover income		3,374	4,573
TOTAL INCOME		455,347	409,391
EXPENDITURE			
Administrative expenses	6	(427,521)	(351,975)
NET INCOME FOR THE YEAR		27,826	57,416
APPLIED			
General Fund	10	26,851	56,425
Designated Arts Fund	11	875	875
Non Charitable Trading Fund	12	100	116
		27,826	57,416

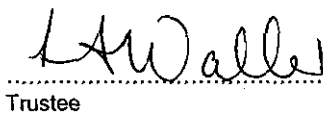
The notes on pages 15 to 20 form part of these financial statements

BODELWYDDAN CASTLE TRUST**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2004**

		2004		2003	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		503,764		356,998
CURRENT ASSETS					
Stocks		16,811		12,916	
Debtors	8	37,605		25,109	
Cash at bank and in hand		274,421		225,248	
		<u>328,837</u>		<u>263,273</u>	
CREDITORS					
Amounts falling due within one year	9	<u>(140,684)</u>		<u>(152,731)</u>	
NET CURRENT ASSETS			188,153		110,542
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>691,917</u>		<u>467,540</u>
ACCRUALS AND DEFERRED INCOME					
Deferred government grants			(327,209)		(130,658)
NET ASSETS			<u>364,708</u>		<u>336,882</u>
CAPITAL AND RESERVES					
Designated Arts Fund	11		68,474		67,599
General Fund	10		297,401		270,550
Non Charitable Trading Fund	12		<u>(1,167)</u>		<u>(1,267)</u>
			<u>364,708</u>		<u>336,882</u>

The financial statements were approved by the trustees on 22nd November 2004
and signed on their behalf by:


Trustee

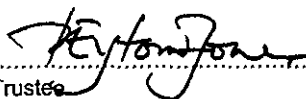

Trustee

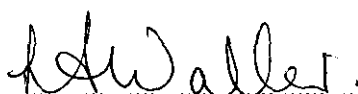
The notes on pages 15 to 20 form part of these financial statements

BODELWYDDAN CASTLE TRUST**BALANCE SHEET
AT 31 MARCH 2004**

		2004		2003	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets			486,464		339,698
Investments			20		20
			<u>486,484</u>		<u>339,718</u>
CURRENT ASSETS					
Debtors		133,914		118,394	
Cash at bank and in hand		199,404		154,656	
		<u>333,318</u>		<u>273,050</u>	
CREDITORS					
Amounts falling due within one year		<u>(126,718)</u>		<u>(143,961)</u>	
NET CURRENT ASSETS			206,600		129,089
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>693,084</u>		<u>468,807</u>
ACCRUALS AND DEFERRED INCOME					
Deferred government grants			(327,209)		(130,658)
NET ASSETS			<u><u>365,875</u></u>		<u><u>338,149</u></u>
CAPITAL AND RESERVES					
Designated Arts Fund			68,474		67,599
General Fund			<u>297,401</u>		<u>270,550</u>
			<u><u>365,875</u></u>		<u><u>338,149</u></u>

The financial statements were approved by the trustees on 22nd November 2004
and signed on their behalf by:


Trustee


Trustee

The notes on pages 15 to 20 form part of these financial statements

BODELWYDDAN CASTLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

1. STATEMENT OF ACCOUNTING POLICIES

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 2, Accounting by Charities.

Consolidation

The group financial statements consolidate the financial statements of the Trust and its subsidiary made up to the 31st March 2004.

Cash Flow Statement

The Trust and its subsidiary qualify as a small group 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.

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 and fittings	20% straight line
Property improvements	10% straight line

No depreciation is charged on long leasehold land and buildings.

Grants

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

Capital grants 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 pensions and related benefits is charged to the income and expenditure account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the income and expenditure account and the contributions 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, Corporation Tax and Capital Gains Tax.

BODELWYDDAN CASTLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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 a gift shop and tea rooms at Bodelwyddan Castle and covenants its taxable profits to the Trust.

A summary of its trading results for the year ended 31st March 2004 is shown below. Audited financial statements have been filed with the Registrar of Companies.

Profit and Loss Account

	2004 £	2003 £
Turnover	139,706	140,640
Cost of Sales	<u>(36,896)</u>	<u>(46,577)</u>
Gross Profit	102,810	94,063
Administrative Expenses	<u>(77,529)</u>	<u>(79,993)</u>
	25,281	14,070
Rent Received	375	4,500
Covenant paid to Trust	<u>(25,260)</u>	<u>(19,270)</u>
Operating Profit/(Loss)	396	(700)
Investment Income and Interest Receivable	579	1,691
Interest Payable and Similar Charges	<u>(875)</u>	<u>(875)</u>
	<u>100</u>	<u>116</u>

3. GRANTS RECEIVED

	2004 £	2003 £
Denbighshire County Council	194,000	194,000
Other Grant Aid	3,440	0
Deferred Government Grant released	39,268	0
	<u>236,708</u>	<u>194,000</u>

BODELWYDDAN CASTLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004****4. INVESTMENT INCOME**

	2004 £	2003 £
Rent Receivable	64,379	65,305
Interest Receivable : General Fund	6,208	10,075
Designated Arts Fund	875	875
	<u>71,462</u>	<u>76,255</u>

5. SALARY INFORMATION

	2004 £	2003 £
Staff costs:		
Wages and salaries	<u>232,623</u>	<u>226,143</u>

	2004 No.	2003 No.
The average monthly number of employees during the year was made up as follows:		
Administration	6	5
Museum Assistants	14	13
Cleaners	3	3
	<u>23</u>	<u>21</u>

6. EXPENDITURE

	2004 £	2003 £
Expenditure is stated after charging:		
Depreciation of fixed assets	61,568	7,056
Audit Fees	2,000	1,000
Consultancy and Accountancy	<u>4,000</u>	<u>3,400</u>

BODELWYDDAN CASTLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004****7. TANGIBLE FIXED ASSETS**

	Land and Buildings £	Fixtures and Fittings £	Total £
Cost:			
At 1 April 2003	341,777	125,238	467,015
Additions	<u>180,879</u>	<u>27,455</u>	<u>208,334</u>
At 31 March 2004	<u>522,656</u>	<u>152,693</u>	<u>675,349</u>
Depreciation:			
At 1 April 2003	0	110,017	110,017
Charge for year	<u>50,535</u>	<u>11,033</u>	<u>61,568</u>
At 31 March 2004	<u>50,535</u>	<u>121,050</u>	<u>171,585</u>
Net Book Value:			
At 31 March 2004	<u>472,121</u>	<u>31,643</u>	<u>503,764</u>
At 31 March 2003	<u>341,777</u>	<u>15,221</u>	<u>356,998</u>
		2004 £	2003 £
Analysis of net book value of land and buildings			
Long leasehold		17,300	17,300
Tenant's improvements to property		<u>454,821</u>	<u>324,477</u>
		<u>472,121</u>	<u>341,777</u>

8. DEBTORS

	2004 £	2003 £
Trade Debtors	6,803	8,111
Prepayments and accrued income	<u>30,802</u>	<u>16,998</u>
	<u>37,605</u>	<u>25,109</u>

BODELWYDDAN CASTLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004****9. CREDITORS: amounts falling due within one year**

	2004 £	2003 £
Trade Creditors	46,931	54,650
Owed to Denbighshire County Council	66,438	70,728
Accruals	<u>27,315</u>	<u>27,353</u>
	<u>140,684</u>	<u>152,731</u>

10. GENERAL FUND

	2004 £	2003 £
Retained surplus at 1 April 2003	270,550	214,125
Surplus for the Year	<u>26,851</u>	<u>56,425</u>
Retained surplus at 31 March 2004	<u>297,401</u>	<u>270,550</u>

11. DESIGNATED ARTS FUND

	2004 £	2003 £
Retained surplus at 1 April 2003	67,599	66,724
Surplus for the Year	<u>875</u>	<u>875</u>
Retained surplus at 31 March 2004	<u>68,474</u>	<u>67,599</u>

12. NON CHARITABLE TRADING FUND

	2004 £	2003 £
Retained surplus at 1 April 2003	(1,267)	(1,383)
Surplus for the Year	<u>100</u>	<u>116</u>
Retained surplus at 31 March 2004	<u>(1,167)</u>	<u>(1,267)</u>

BODELWYDDAN CASTLE TRUST

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004**

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 2001 and updated to 31 March 2004 by a qualified independent actuary. The major assumptions used by the actuary were:

	31st March 2004
Rate of increase in salaries	3.50%
Rate of increase in pension in payment	2.50%
Discount rate	6.50%
Inflation assumption	1.50%

The assets in the scheme were:

	Value £
Equities	121,510
Bonds	22,483
Other	<u>27,632</u>
Total Market Value of Assets	171,625
Present value of scheme liabilities	<u>(214,914)</u>
Deficit in scheme	(43,289)
Related deferred tax liability	0
Net Pension Deficit	<u><u>(43,289)</u></u>

Over the year to 31st March 2004, the actual company contributions were £22,765 (2003 - £21,139).

The actuarial valuation at 31st March 2001 recommended a company contribution rate of 10.5% of pensionable salaries, which amounts to £12,786 per annum based on pensionable payroll at 31st March 2004.

The rate will be reviewed at the next full actuarial valuation due at 31st March 2005, and at three yearly intervals thereafter.