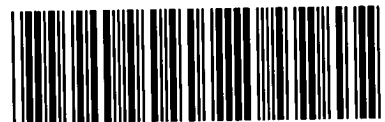


REGISTERED COMPANY NUMBER: 02899285 (England and Wales)
REGISTERED CHARITY NUMBER: 1040969

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2017
for
Bodelwyddan Castle Trust**

TUESDAY



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COMPANIES HOUSE

Salisbury & Company Business Solutions Limited
Statutory Auditors
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Bodelwyddan Castle Trust

**Contents of the Financial Statements
for the year ended 31 March 2017**

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Bodelwyddan Castle Trust

Report of the Trustees for the year ended 31 March 2017

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Bodelwyddan Castle Trust's mission is to create a place where all people can come to explore, enjoy, and be inspired and stimulated by the Castle surroundings and collections of fine and decorative art.

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

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

Volunteers

Where possible, volunteers from the local community are employed to help run the castle in addition to the work of the Trust's full time staff.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The successes of the previous year have given way to yet another period of uncertainty that has resulted in changes to the operation. The uncertainties have resulted principally from the county council's reluctance to confirm arrangements for future grant support which, in turn, does not allow the Trust an opportunity to develop sound forward planning. As a consequence, more senior staff have decided to leave the organisation during the year and this has left the Trust in a difficult position operationally as well as strategically. A number of marketing and other projects designed to increase visitor participation were put on hold and development schemes have taken longer than expected to complete.

Further difficulties were added in September when the county council indicated its wish to reduce the maintenance grant funding to the Trust to zero in stages over three years. They then changed their minds and informed the Trust that the grant would be paid at a full level in 2017/18 but would not be paid at all after March 2018. This resulted in a significant amount of work by the Trust in the latter part of the year to try to establish a viable way forward. As a consequence, some radical changes have been put in place to alter the fundamental operational work of the Trust to reduce staff costs and ensure a sustainable future if possible.

The negative impact of the county council's decision overshadows several positive developments which otherwise would have seen a significant improvement in the Trust's public service. These include a new shop in what was previously the security lodge. The creation of the reproduction First World War trenches has developed slowly through the year but has resulted in an anticipated opening during Easter 2017. Similarly, environmental and biodiversity work within the parkland has resulted in new areas of interest for the public and a new base from which to offer events and activities.

FINANCIAL REVIEW

Principal funding sources

Local council maintenance grant funding continued to be the dominant source of income for the Trust during the year. Other principal funding sources include income derived from admission charges to the castle grounds and rental income received for use of the castle grounds. The decision of the county council to reduce the maintenance grant to zero after March 2018 is coupled with further information that the hotel's rental income may also be removed should the hotel purchase its freehold interest. As a result, trustees have had to consider radical change by reducing the costs associated with the current operation and by considering new methods of achieving additional income.

A major casualty of the financial plans has been the need to end a long-standing arrangement with the National Portrait Gallery and other national museums in respect of loan collections held at Bodelwyddan Castle. The costs of caring for those collections, both curatorially and in terms of security, could not be factored in to budget proposals going forward.

Investment policy and objectives

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

Bodelwyddan Castle Trust

Report of the Trustees for the year ended 31 March 2017

FINANCIAL REVIEW

Reserves policy

The Council of Management of Bodelwyddan Castle Trust have adopted the following policy on its Reserves:

We use the term "Reserves" to describe that part of a charity's income funds that is freely available for its general purposes. Reserves are therefore the reserves the charity has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. The Trust 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. The current reserves balance will be applied to projects designed to improve the infrastructure and improve facilities for visitors.

FUTURE PLANS

The Trust has been working with the Welsh Government and other agencies such as the Heritage Lottery Fund to develop a sound business plan following the radical changes that have been forced on the organisation as a result of the county council's decision. A grant from HLF's 'Transitions Fund' is being discussed and amended to reflect the need for business mentoring as well as the creation of a radically changed business plan that has a more commercial outlook. It is hoped that this work will begin in the summer of 2017 and will be completed in time for the start of the April 2018 financial year. A programme of redundancies forced on the Trust due to the need to reduce costs included that of the Director and consequently much work is required now to establish a new leadership arrangement throughout the organisation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Bodelwyddan Castle Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 17th February 1994. The total number of such guarantees as at 31 March 2016 was 11. The Trust is registered as a charity with the Charity Commissioners.

~~Each member of the Trust promises, if the charity is dissolved while he or she remains a member or within 12 months afterwards, to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charity during their membership.~~

Recruitment and appointment of new trustees

Under the Articles of Association, there must be at least eleven members of the Trust. The affairs of the Trust are managed by the Council of Management, whose number of members must be not less than eleven nor more than fifteen. At least six members of the Council of Management must also be members of the Trust. At each annual general meeting of the Trust, one third of the members of the Council of Management shall retire from office. The members of the Council to retire will be those who have served longest in office since their last election. Retiring members of the Council are eligible for re-election.

Organisational structure

The trustees, who are directors for the purposes of company law and Trustees for the purposes of charity law, who served during the period and up to the date of this report are set out on page 1. All trustees must be members.

The board of trustees meets with the Council of Management on at least four occasions during the year to set and monitor the strategies and operational activity of the organisation and to approve and control capital and revenue budgets.

The Board of Directors of the Trust's wholly owned subsidiary, Bodelwyddan Castle Enterprises Limited, oversees the running of the Castle's trading activities.

Induction and training of new trustees

Membership of the Trust is only offered to individuals who have a detailed understanding of the Trust and its objectives, and who are fully conversant with their legal obligations under charity and company law and the content of the Trust's Memorandum and Articles of Association. Trustees are expected to play an active role in the strategic decision making process of the Trust.

Bodelwyddan Castle Trust

Report of the Trustees for the year ended 31 March 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The major party related to the Trust is Denbighshire County Council, who provide the staff (who are seconded to the Trust) and are responsible for all staffing costs and responsibilities.

The Council grants an element of the staff salaries to the Trust free of charge and makes rental payments to the Trust for the use of the castle grounds.

The Trust has a wholly owned subsidiary, Bodelwyddan Castle Enterprises Limited. This company was established in order to provide trading opportunities for Bodelwyddan Castle Trust. The results of the subsidiary are consolidated into the group accounts. The audited abbreviated financial statements of Bodelwyddan Castle Enterprises Limited are filed at Companies House.

The Trust is independent of all other organisations. It does, however, work closely with other organisations which share the same aims and in particular with the National Portrait Gallery and Warner Holidays Ltd.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

02899285 (England and Wales)

Registered Charity number

1040969

Registered office

Bodelwyddan Castle
Bodelwyddan
Rhyl
Denbighshire
LL18 5YA

Trustees

Dr K Davies	
Prof J W Last CBE	
Mr M Phillips CBE	- resigned 31/1/17
Mrs L A Waller	
Mr D A Harries	
Mr J S Harding	
Lord S B Jones	
Mr H L Jones	- resigned 31/1/17
Mr F D Watson	- resigned 31/1/17
DR H Papworth	
Mrs S Williams	

Company Secretary

Dr K S Mason

Auditors

Salisbury & Company Business Solutions Limited
Statutory Auditors
Chartered Accountants
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Bankers

National Westminster Bank Plc
Rhyl Branch
Rhyl
Denbighshire

Ex-Officio Members, Members and Advisers

Mrs D Jones
Mr S Nairne

Bodelwyddan Castle Trust

Report of the Trustees for the year ended 31 March 2017

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Bodelwyddan Castle Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Salisbury & Company Business Solutions Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 24th November 2017 and signed on its behalf by:



Dr K Davies - Trustee

Report of the Independent Auditors to the Trustees of Bodelwyddan Castle Trust

We have audited the financial statements of Bodelwyddan Castle Trust for the year ended 31 March 2017 on pages seven to twenty. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is unqualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's ability to continue as a going concern.

Funding previously provided by Denbighshire County Council, amounting to £145,000 pa will be withdrawn from April 2018. In addition, there is potential for the hotel, currently paying rent to the group of circa £83,000 pa, to purchase the land from DCC, removing the rental income source from the group.

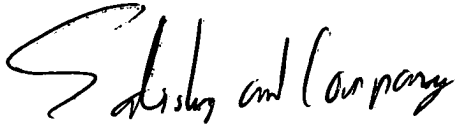
Although the trustees have put in place cost saving and new income generating measures, the conditions discussed above indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**Report of the Independent Auditors to the Trustees of
Bodelwyddan Castle Trust**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements ; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Salisbury & Company Business Solutions Limited
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Date: 24.11.17

Bodelwyddan Castle Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2017**

		Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	5,906	-	5,906	15,965
Charitable activities	5				
Educational events		-	129,684	129,684	8,637
Staff salaries and expenses		-	144,681	144,681	144,681
Premises expenses		-	31,000	31,000	-
Office expenses		-	19,150	19,150	-
Federation of Museum & Art Galleries		-	-	-	500
Other trading activities	3	161,850	-	161,850	169,562
Investment income	4	107,083	-	107,083	93,840
Total		274,839	324,515	599,354	433,185
EXPENDITURE ON					
Raising funds	6	32,616	130,622	163,238	34,798
Charitable activities	7				
Educational events		-	-	-	600
Staff salaries and expenses		109,975	144,681	254,656	283,464
Premises expenses		62,850	12,575	75,425	58,067
Office expenses		32,440	-	32,440	43,481
Depreciation		40,673	1,623	42,296	41,843
Motor expenses		3,644	-	3,644	-
Total		282,198	289,501	571,699	462,253
NET INCOME/(EXPENDITURE)		(7,359)	35,014	27,655	(29,068)
RECONCILIATION OF FUNDS					
Total funds brought forward		640,118	56,914	697,032	726,100
TOTAL FUNDS CARRIED FORWARD		632,759	91,928	724,687	697,032
CONTINUING OPERATIONS					

The notes form part of these financial statements

Bodelwyddan Castle Trust

**Balance Sheet
At 31 March 2017**

	Notes	Unrestricted fund £	Restricted funds £	2017 Total funds £	2016 Total funds £
FIXED ASSETS					
Tangible assets	13	194,701	(1,623)	193,078	209,062
Investments	14	20	-	20	20
		<u>194,721</u>	<u>(1,623)</u>	<u>193,098</u>	<u>209,082</u>
CURRENT ASSETS					
Debtors	15	163,733	-	163,733	507,639
Cash at bank and in hand		<u>393,599</u>	<u>95,202</u>	<u>488,801</u>	<u>119,167</u>
		557,332	95,202	652,534	626,806
CREDITORS					
Amounts falling due within one year	16	(119,295)	(1,650)	(120,945)	(138,856)
NET CURRENT ASSETS		<u>438,037</u>	<u>93,552</u>	<u>531,589</u>	<u>487,950</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>632,758</u>	<u>91,929</u>	<u>724,687</u>	<u>697,032</u>
NET ASSETS		<u>632,758</u>	<u>91,929</u>	<u>724,687</u>	<u>697,032</u>
FUNDS	18				
Unrestricted funds				632,758	640,118
Restricted funds				<u>91,929</u>	<u>56,914</u>
TOTAL FUNDS				<u>724,687</u>	<u>697,032</u>

The notes form part of these financial statements

Bodelwyddan Castle Trust

**Balance Sheet - continued
At 31 March 2017**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not deposited notice, pursuant to Section 476 of the Companies Act 2006 requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for

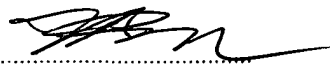
- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Trustees on 24th November 2017 and were signed on its behalf by:


Trustee


Dr K Davies -Trustee

Bodelwyddan Castle Trust

**Cash Flow Statement
for the year ended 31 March 2017**

	Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	394,531	(52,159)
Net cash provided by (used in) operating activities		<u>394,531</u>	<u>(52,159)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(26,312)	(40,446)
Interest received		54	698
Net cash provided by (used in) investing activities		<u>(26,258)</u>	<u>(39,748)</u>
Change in cash and cash equivalents in the reporting period		<u>368,273</u>	<u>(91,907)</u>
Cash and cash equivalents at the beginning of the reporting period	2	119,167	5,404
Cash and cash equivalents at the end of the reporting period	2	<u><u>487,440</u></u>	<u><u>(86,503)</u></u>

The notes form part of these financial statements

Bodelwyddan Castle Trust

Notes to the Cash Flow Statement
for the year ended 31 March 2017

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	27,655	(29,068)
Adjustments for:		
Depreciation charges	42,296	41,843
Interest received	(54)	(698)
Decrease/(increase) in debtors	343,645	(78,425)
(Decrease)/increase in creditors	(19,011)	14,189
Net cash provided by (used in) operating activities	394,531	(52,159)

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	2,334	7,510
Notice deposits (less than 3 months)	486,467	111,657
Overdrafts included in bank loans and overdrafts falling due within one year	(1,361)	-
Total cash and cash equivalents	487,440	119,167

Bodelwyddan Castle Trust

Notes to the Financial Statements for the year ended 31 March 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' EFA, the and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements for the year ended 31 March 2016 were prepared in accordance with UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. After careful consideration, the trustees have concluded that no material differences exist and, on this basis, the comparatives have not been adjusted.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs include the costs incurred by the charity to comply with constitutional and statutory requirements.

Tangible fixed assets

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

Improvement to freehold prop	- 10% on cost
Fixtures and fittings	- 20% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Going concern

The loss of funding from Denbighshire County Council from April 2018 will have a negative impact on the trust's ability to continue as a going concern.

The trustees are implementing strategies to secure the future of the trust, with significant reductions in expenditure and the appointment of a business mentor to make recommendations to aid the establishment of a sustainable business plan going forward.

Given the plans in place, and the strong balance sheet position, the trustees feel the going concern basis remains appropriate.

Bodelwyddan Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2017

2. DONATIONS AND LEGACIES

	2017	2016
	£	£
Gift aid	<u>5,906</u>	<u>15,965</u>

3. OTHER TRADING ACTIVITIES

	2017	2016
	£	£
Fundraising events	471	75
Curatorial Service	15,782	10,858
Admissions	130,282	139,571
Events	728	1,360
Other income	3,140	1,897
Subsidiary covenant received	11,447	15,801
	<u>161,850</u>	<u>169,562</u>

4. INVESTMENT INCOME

	2017	2016
	£	£
Rents received	107,029	93,142
Deposit account interest	54	698
	<u>107,083</u>	<u>93,840</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2017	2016
		£	£
Grants	Educational events	129,684	8,637
Grants	Staff salaries and expenses	144,681	144,681
Grants	Premises expenses	31,000	-
Grants	Office expenses	19,150	-
Grants	Federation of Museum & Art Galleries	-	500
		<u>324,515</u>	<u>153,818</u>

Grants received, included in the above, are as follows:

	2017	2016
	£	£
Denbighshire County Council	144,681	144,681
Welsh Government Exhibition Refurbishment	31,000	-
Economic Assessment	-	2,500
Gwynt y Mor Community Fund	-	5,916
Federation of Museum & Art Galleries Wales	-	500
Museums for Better Mental Health	-	221
HLF Lottery Transition	19,150	-
Trenches	129,684	-
	<u>324,515</u>	<u>153,818</u>

Bodelwyddan Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2017

6. RAISING FUNDS

Raising donations and legacies

	2017 £	2016 £
Support costs	4,282	-

Other trading activities

	2017 £	2016 £
Bad debts	667	-
Educational event expenditure	134,658	11,600
Other Grants Expenditure	-	5,669
Professional Consultancy	4,050	7,796
Support costs	19,581	9,733
	<u>158,956</u>	<u>34,798</u>

Aggregate amounts	<u>163,238</u>	<u>34,798</u>
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7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 8) £	Totals £
Premises expenses	55,449	19,976	75,425
Office expenses	6,321	26,119	32,440
Depreciation	31,332	10,964	42,296
Staff salaries and expenses	-	254,656	254,656
Motor expenses	-	3,644	3,644
	<u>93,102</u>	<u>315,359</u>	<u>408,461</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Raising donations and legacies	4,282	-	4,282
Other trading activities	19,581	-	19,581
Staff salaries and expenses	254,656	-	254,656
Premises expenses	19,976	-	19,976
Office expenses	10,946	15,173	26,119
Depreciation	10,964	-	10,964
Motor expenses	3,644	-	3,644
	<u>324,049</u>	<u>15,173</u>	<u>339,222</u>

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2017**

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2017	2016
	£	£
Auditors' remuneration	4,000	2,500
The auditing of accounts of any associate of the charity	4,000	2,500
Depreciation - owned assets	<u>42,296</u>	<u>41,842</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

11. STAFF COSTS

	2017	2016
	£	£
Wages and salaries	247,540	276,013
Other pension costs	<u>5,600</u>	<u>5,400</u>
	<u>253,140</u>	<u>281,413</u>

The average monthly number of employees during the year was as follows:

	2017	2016
Museum Assistants	3	4
Cleaning Staff	1	1
Administrative Staff	<u>7</u>	<u>9</u>
	<u>11</u>	<u>14</u>

No employees received emoluments in excess of £60,000.

No employee earns an amount exceeding £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	15,965	-	15,965
Charitable activities			
Educational events	-	8,637	8,637
Staff salaries and expenses	-	144,681	144,681
Federation of Museum & Art Galleries	-	500	500
Other trading activities	169,562	-	169,562
Investment income	<u>93,840</u>	<u>-</u>	<u>93,840</u>
Total	279,367	153,818	433,185

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2017**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	25,422	9,376	34,798
Charitable activities			
Educational events	-	600	600
Staff salaries and expenses	138,783	144,681	283,464
Premises expenses	58,067	-	58,067
Office expenses	43,231	250	43,481
Depreciation	39,490	2,353	41,843
Total	304,993	157,260	462,253
NET INCOME/(EXPENDITURE)	(25,626)	(3,442)	(29,068)
RECONCILIATION OF FUNDS			
Total funds brought forward	665,744	60,356	726,100
TOTAL FUNDS CARRIED FORWARD	640,118	56,914	697,032

13. TANGIBLE FIXED ASSETS

	Improvement to freehold prop £	Fixtures and fittings £	Totals £
COST			
At 1 April 2016	880,953	290,218	1,171,171
Additions	24,005	2,307	26,312
At 31 March 2017	904,958	292,525	1,197,483
DEPRECIATION			
At 1 April 2016	700,353	261,756	962,109
Charge for year	31,332	10,964	42,296
At 31 March 2017	731,685	272,720	1,004,405
NET BOOK VALUE			
At 31 March 2017	173,273	19,805	193,078
At 31 March 2016	180,600	28,462	209,062

The net book value of the freehold property relates entirely to the tenant's improvements to the property.

Bodelwyddan Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2017

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2016 and 31 March 2017	<u>20</u>
NET BOOK VALUE	
At 31 March 2017	<u>20</u>
At 31 March 2016	<u>20</u>

There were no investment assets outside the UK.

Bodelwyddan Castle Trust owns the entire share capital of Bodelwyddan Castle Enterprises Limited, which operates the trading activities on behalf of the trust in the form of a gift shop, a tea room cafe and through event management. Under a deed of covenant, Bodelwyddan Castle Enterprises Limited gifts its profits to the trust on an annual basis.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	19,587	8,587
Amounts owed by group undertakings	101,775	450,212
Other debtors	27,650	23,571
VAT	-	781
Prepayments	14,721	24,488
	<u>163,733</u>	<u>507,639</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 17)	1,361	-
Trade creditors	102,468	16,048
VAT	460	-
Other creditors	1,056	115,808
Accrued expenses	15,600	7,000
	<u>120,945</u>	<u>138,856</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year on demand:		
Bank overdraft	<u>1,361</u>	<u>-</u>

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2017**

18. MOVEMENT IN FUNDS

	At 1/4/16 £	Net movement in funds £	At 31/3/17 £
Unrestricted funds			
Unrestricted reserve	640,118	(7,360)	632,758
Restricted funds			
DCC & Designated arts fund	51,589	-	51,589
Restricted capital grant reserve	4,889	(1,623)	3,266
Welsh Government Exhibition Refurbishment	-	21,498	21,498
Mental Health	189	-	189
Trenches Project	(3,113)	3,113	-
Gwynt y Mor	3,360	(3,073)	287
HLF Lottery Transition	-	15,100	15,100
	<u>56,914</u>	<u>35,015</u>	<u>91,929</u>
TOTAL FUNDS	<u>697,032</u>	<u>27,655</u>	<u>724,687</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted reserve	274,839	(282,199)	(7,360)
Restricted funds			
DCC & Designated arts fund	144,681	(144,681)	-
Welsh Government Exhibition Refurbishment	31,000	(9,502)	21,498
Trenches Project	129,684	(126,571)	3,113
Gwynt y Mor	-	(3,073)	(3,073)
HLF Lottery Transition	19,150	(4,050)	15,100
Restricted capital grant reserve	-	(1,623)	(1,623)
	<u>324,515</u>	<u>(289,500)</u>	<u>35,015</u>
TOTAL FUNDS	<u>599,354</u>	<u>(571,699)</u>	<u>27,655</u>

Bodelwyddan Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2017

18. MOVEMENT IN FUNDS - continued

Restricted funds

Restricted reserve - Designated arts fund

The Designated Arts Fund was established through the sale of redundant furniture and effects derived from the former Lowther College but transferred to Clwyd County Council when the Castle and estate were purchased in 1993. The fund was transferred to Bodelwyddan Castle Trust in 1994. The fund is designated for future use for the purchase of works of fine art and decorative art within the collection policy of Bodelwyddan Castle Trust; and for the repair and maintenance works of art in the Trust collections. The surplus is held as cash in the main bank account.

Restricted reserve - Denbighshire County Council

Denbighshire County Council supports the work of the trust through the provision of an annual maintenance grant. By arrangement with the local authority, this grant is not paid direct to the trust but is retained to support, in part, the payment of trust salaries processed through the county council's payroll system.

Welsh Government Exhibition Refurbishment

A grant from the Museum Archives and Libraries Division (MALD) of the Welsh Government (formerly CyMAL) was received to support the removal of the National Portrait Gallery collections and the subsequent redecoration work needed.

Trenches Project

Funding was received from the Armed Forces Community Covenant Grant Scheme to develop reproduction first world war trenches at Bodelwyddan Castle.

Gwynt Y Mor

A grant was awarded by the Gwynt y Mor Community Fund to aid the trust's parkland orchard conservation skills and education project, undertaken to increase the engagement of the community and the self-esteem, social and practical skills and employment chances of participants and volunteers.

HLF Lottery Transition

A grant was received from the Heritage Lottery Fund to put towards a project to engage consultants to produce site and status reports with a view to developing a sound business plan going forward.

Restricted Capital Grant Reserve

The restricted capital grant reserve relates to various grants received, which are for capital expenditure. These grants are amortised over the useful economic life of the asset.

Bodelwyddan Castle Enterprises Limited is a separate trading company which transfers its annual profit to Bodelwyddan Castle Trust under covenant. The Enterprises Company manages trading activities at Bodelwyddan Castle including the tea room, the gift shop, outdoor events, civil marriages and partnerships and paranormal investigations. The Enterprises Fund surplus is held in Bodelwyddan Castle Enterprises bank account.

19. PENSION COMMITMENTS

The Trust operates a defined benefit pension scheme for the benefit of employees. A full actuarial valuation was carried out at 31 March 2016 by a qualified independent actuary.

The major assumptions used by the actuary were:

At 31 March 2016

Rate of pensionable pay inflation	3.45%
Rate of pension increases	2.20%
Discount rate	3.60%

The position at 31 March 2016 was:

	£
Active members' accrued benefits	757,000
Deferred pensioners	374,000
Pensioners	149,000
Total liabilities	1,280,000
Total assets	1,213,000
Scheme surplus/(deficit)	(67,000)

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2017**

19. PENSION COMMITMENTS
- continued

Under the definitions set out in the Financial Reporting Standard 17 Retirement Benefits, Clwyd Pension Fund is a multi-employer pension scheme. The trust is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the deficit in the scheme and the implications for the museum in terms of the anticipated contribution rates.

20. CAPITAL COMMITMENTS

As at 31 March 2017 neither the trust nor its subsidiary company had any capital commitments (2016: £ Nil).

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.

22. TRUSTEE TRANSACTIONS

During the financial year ending 31 March 2017 there were no transactions between the group nor the trust and the trustees (2016: £ Nil).

23. LEGAL STATUS OF THE CHARITY

The Trust operates as a registered company limited by guarantee, the number of guarantees being sixteen. The liability of each guarantor is limited to £1.

Bodelwyddan Castle Trust

**Detailed Statement of Financial Activities
for the year ended 31 March 2017**

	2017 £	2016 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gift aid	5,906	15,965
Other trading activities		
Fundraising events	471	75
Curatorial Service	15,782	10,858
Admissions	130,282	139,571
Events	728	1,360
Other income	3,140	1,897
Subsidiary covenant received	11,447	15,801
	<hr/> 161,850	<hr/> 169,562
Investment income		
Rents received	107,029	93,142
Deposit account interest	54	698
	<hr/> 107,083	<hr/> 93,840
Charitable activities		
Grants	324,515	153,818
	<hr/> 599,354	<hr/> 433,185
Total incoming resources		
	<hr/> 599,354	<hr/> 433,185
EXPENDITURE		
Other trading activities		
Bad debts	667	-
Educational event expenditure	134,658	11,600
Other Grants Expenditure	-	5,669
Professional Consultancy	4,050	7,796
	<hr/> 139,375	<hr/> 25,065
Charitable activities		
Light and heat	17,828	13,636
Grounds maintenance	4,949	4,277
Equipment hire	3,079	2,236
Computer running costs	2,742	3,689
Repairs and renewals	32,166	20,614
Household and cleaning	606	1,065
Research Fees	400	1,688
Freehold property	31,332	29,538
	<hr/> 93,102	<hr/> 76,743
Support costs		
Management		
Wages	247,540	276,013
Pensions	5,600	5,400
Insurance	19,976	18,475
Telephone	1,657	1,779
Postage and stationery	2,126	2,705
Advertising	23,133	20,232
Sundries	-	601
Staff training	262	1,924
Carried forward	300,294	327,129

This page does not form part of the statutory financial statements

Bodelwyddan Castle Trust

**Detailed Statement of Financial Activities
for the year ended 31 March 2017**

	2017 £	2016 £
Management		
Brought forward	300,294	327,129
Bank charges	2,494	3,057
Motor expenses	1,254	2,338
Volunteer expenses	9,043	5,883
Fixtures and fittings	10,964	12,305
	<hr/> 324,049	<hr/> 350,712
Governance costs		
Auditors' remuneration	4,000	2,500
Auditors' remuneration for non audit work	4,000	2,500
Book-keeping fees	4,774	4,697
Legal fees	2,399	36
	<hr/> 15,173	<hr/> 9,733
Total resources expended	<hr/> 571,699	<hr/> 462,253
 Net income/(expenditure)	 <hr/> <hr/> 27,655	 <hr/> <hr/> (29,068)