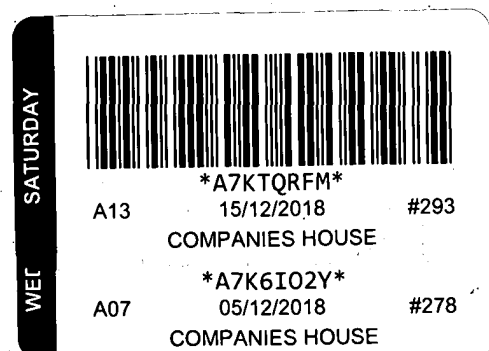


REGISTERED COMPANY NUMBER: 02899285 (England and Wales)
REGISTERED CHARITY NUMBER: 1040969

**Report of the Trustees and
Audited Financial Statements for the Year Ended 31 March 2018
for
Bodelwyddan Castle Trust**



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 2018**

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Bodelwyddan Castle Trust

Report of the Trustees for the year ended 31 March 2018

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 2018. 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 Trust has continued to operate within a climate of uncertainty with regard to future funding proposals since the announcement in September 2016 by Denbighshire County Council that it would stop paying its annual maintenance grant to the Trust from the end of March 2018. Despite this lack of foresight from the local authority, the trustees decided to embark on a phase of investigation into alternative models of provision, thereby fulfilling their obligations as guardians of a major regional public educational facility. Recognising the need for prudent financial planning and an immediate reduction in expenditure, trustees decided in January 2017 to end the loan arrangement with the National Portrait Gallery and to make certain associated members of Trust staff redundant. For financial reasons, the Director was included amongst those made redundant but he agreed to continue to act as Company Secretary to assist the trustees through this period of difficulty.

Through a Changes Sub-Committee, the trustees managed the necessary alterations to the interior of the galleries following the departure of the National Portrait Gallery collection, placing instead works of art from private lenders and the Clwyd Fine Arts Trust on display. The change-over took three months to complete and the main galleries re-opened in early May 2017. Shortly afterwards, thanks to a grant from the Heritage Lottery Fund, trustees appointed Bryn Jones Associates to look at the options available in terms of maintaining a future public facility at Bodelwyddan Castle. This study proved inconclusive, partly due to the attitude of the county council, and so further expert advisors were appointed to assist the trustees in negotiating financial, legal and property matters to create a plan for the future.

Despite the radical changes in operation and financial regime over the year, the public service has been maintained. Particular successes have attached to the opening at Easter 2017 of the First World War Reproduction Trench System; these trenches now form a major attraction in their own right and were constructed with the financial support of the Community Covenant Fund of the Ministry of Defence.

FINANCIAL REVIEW

Principal funding sources

Local council maintenance grant funding continued to be the dominant source of income for the Trust during the year until March 2018 although this was the final year of such support. 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 Trust had been informed by the county council that the hotel were to purchase its freehold interest thereby removing rental income. This did not happen during the year however and that source of funding remained intact for the period. The threat of a reduction in rental income remains in place and trustees have endeavoured to create alternative proposals should this reduction become reality.

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 2018

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

Trustees continue to be optimistic that a solution to current on-going revenue issues can be found, although it is increasingly becoming clear that a significant shift in operations may be required. A prudent approach to ensure that current expenditure does not outstrip available income is a priority. This approach has ensured that an appropriate level of reserves remains in place for future action. The commissioning of a formal valuation of the lease by Lambert Smith Hampton of Manchester has resulted in an aggregated value of £1,190,000 being declared. This valuation includes all areas bounded by the Trust's leases including the castle, parkland, agricultural land and St Asaph Lodge.

The substantial valuation has allowed trustees additional opportunities to consider alternative proposals such as marketing some or all elements of the lease. This option is now being investigated through advisors. Trustees uphold their wish to see the integrity of the public service maintained through their custodianship of the art and other collections held at Bodelwyddan Castle. This is still a major goal and, through the assistance of various professional advisors, trustees are now confident that they can both manage the necessary financial planning and any associated logistical issues in order to achieve that goal.

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.

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 2018 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 2018

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 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	- resigned 12/10/17
Mrs L A Waller	
Mr D A Harries	
Mr J S Harding	- resigned 12/10/17
Lord S B Jones	
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 2018

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:

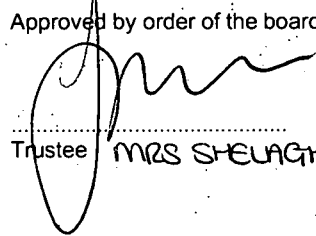
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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 30/11/18 and signed on its behalf by:


Trustee MRS SHELAGH WILLIAMS

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

Opinion

We have audited the financial statements of Bodelwyddan Castle Trust (the 'charitable company') for the year ended 31 March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that the charitable company incurred a net loss of £33,195 during the year ended 31 March 2018. There was also the loss of significant funding from 1 April 2018 from Denbighshire County Council which amounted to £145,000.

As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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.

Salisbury & Company Business Solutions Limited

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: 30.11.18

Bodelwyddan Castle Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the year ended 31 March 2018**

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	7,664	-	7,664	5,906
Charitable activities	5				
Educational events		-	37,145	37,145	129,684
Staff salaries and expenses		-	144,681	144,681	144,681
Premises expenses		-	-	-	31,000
Office expenses		-	-	-	19,150
Other trading activities	3	119,095	-	119,095	161,850
Investment income	4	107,421	-	107,421	107,083
Total		234,180	181,826	416,006	599,354
EXPENDITURE ON					
Raising funds	6	93,844	57,745	151,589	163,238
Charitable activities	7				
Staff salaries and expenses		(1,332)	141,137	139,805	254,656
Premises expenses		52,251	23,148	75,399	75,425
Office expenses		39,414	-	39,414	32,440
Depreciation		36,215	1,221	37,436	42,296
Motor expenses		5,558	-	5,558	3,644
Total		225,950	223,251	449,201	571,699
NET INCOME/(EXPENDITURE)		8,230	(41,425)	(33,195)	27,655
Transfers between funds	18	(1,650)	1,650	-	-
Net movement in funds		6,580	(39,775)	(33,195)	27,655
RECONCILIATION OF FUNDS					
Total funds brought forward		632,758	91,929	724,687	697,032
TOTAL FUNDS CARRIED FORWARD		639,338	52,154	691,492	724,687

The notes form part of these financial statements

Bodelwyddan Castle Trust

**Balance Sheet
At 31 March 2018**

	Notes	Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
FIXED ASSETS					
Tangible assets	13	155,311	402	155,713	193,078
Investments	14	20	-	20	20
		<u>155,331</u>	<u>402</u>	<u>155,733</u>	<u>193,098</u>
CURRENT ASSETS					
Debtors	15	253,914	-	253,914	163,733
Cash at bank and in hand		264,674	51,752	316,426	488,801
		<u>518,588</u>	<u>51,752</u>	<u>570,340</u>	<u>652,534</u>
CREDITORS					
Amounts falling due within one year	16	(34,581)	-	(34,581)	(120,945)
NET CURRENT ASSETS		<u>484,007</u>	<u>51,752</u>	<u>535,759</u>	<u>531,589</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>639,338</u>	<u>52,154</u>	<u>691,492</u>	<u>724,687</u>
NET ASSETS		<u>639,338</u>	<u>52,154</u>	<u>691,492</u>	<u>724,687</u>
FUNDS	18				
Unrestricted funds				639,338	632,758
Restricted funds				52,154	91,929
TOTAL FUNDS				<u>691,492</u>	<u>724,687</u>

The notes form part of these financial statements

Bodelwyddan Castle Trust

**Balance Sheet - continued
At 31 March 2018**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2018.

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

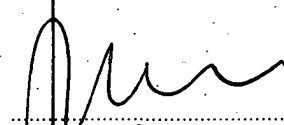
The trustees acknowledge their responsibilities for

- (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 charitable small companies.

The financial statements were approved by the Board of Trustees on 30/11/18 and were signed on its behalf by:



Trustee MRS SHELAGH WILLIAMS



Trustee DR HELEN PAPWORTH

Bodelwyddan Castle Trust

**Cash Flow Statement
for the year ended 31 March 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	(171,035)	394,531
Net cash provided by (used in) operating activities		<u>(171,035)</u>	<u>394,531</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(71)	(26,312)
Interest received		92	54
Net cash provided by (used in) investing activities		<u>21</u>	<u>(26,258)</u>
Change in cash and cash equivalents in the reporting period		<u>(171,014)</u>	<u>368,273</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>487,440</u>	<u>119,167</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>316,426</u></u>	<u><u>487,440</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 2018

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities).	(33,195)	27,655
Adjustments for:		
Depreciation charges	37,436	42,296
Interest received	(92)	(54)
(Increase)/decrease in debtors	(90,181)	343,645
Decrease in creditors	(85,003)	(19,011)
Net cash provided by (used in) operating activities	(171,035)	394,531

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	4,920	2,334
Notice deposits (less than 3 months)	311,506	486,467
Overdrafts included in bank loans and overdrafts falling due within one year	-	(1,361)
Total cash and cash equivalents	316,426	487,440

Bodelwyddan Castle Trust

Notes to the Financial Statements for the year ended 31 March 2018

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' 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.

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, amounting to £145,000, will have a negative impact on the trust's ability to continue as a going concern. There is also an uncertainty over the future of the rental income receivable from the hotel of circa £83,000.

The trustees have implemented significant cost saving measures since the announcement of the cut in grant funding received. They are also exploring different options available to them in order to keep the charitable company in operation.

Given that the trustees are cutting down further on costs to maintain its level of current reserves and are considering various options with regards to future plans, and given the strong balance sheet position, the trustees feel that the going concern basis remains appropriate.

Bodelwyddan Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2018

2. DONATIONS AND LEGACIES

	2018	2017
	£	£
Gift aid	7,664	5,906

3. OTHER TRADING ACTIVITIES

	2018	2017
	£	£
Fundraising events	184	471
Curatorial Service	-	15,782
Admissions	103,729	130,282
Events	1,945	728
Other income	3,065	3,140
Subsidiary covenant received	10,172	11,447
	<u>119,095</u>	<u>161,850</u>

4. INVESTMENT INCOME

	2018	2017
	£	£
Rents received	107,329	107,029
Deposit account interest	92	54
	<u>107,421</u>	<u>107,083</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2018	2017
		£	£
Grants	Educational events	37,145	129,684
Grants	Staff salaries and expenses	144,681	144,681
Grants	Premises expenses	-	31,000
Grants	Office expenses	-	19,150
		<u>181,826</u>	<u>324,515</u>

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

	2018	2017
	£	£
Denbighshire County Council	144,681	144,681
Welsh Government Exhibition Refurbishment	-	31,000
HLF Lottery Transition	11,950	19,150
Trenches	25,195	129,684
	<u>181,826</u>	<u>324,515</u>

6. RAISING FUNDS

Raising donations and legacies

	2018	2017
	£	£
Support costs	4,009	4,282

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2018**

6. RAISING FUNDS - continued

Other trading activities

	2018 £	2017 £
Bad debts	-	667
Educational event expenditure	103,441	134,658
Artist Room	5,500	-
Professional Consultancy	31,983	4,050
Support costs	6,656	19,581
	<u>147,580</u>	<u>158,956</u>

Aggregate amounts	<u>151,589</u>	<u>163,238</u>
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7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 8) £	Totals £
Premises expenses	50,481	24,918	75,399
Office expenses	13,119	26,295	39,414
Depreciation	27,945	9,491	37,436
Staff salaries and expenses	-	139,805	139,805
Motor expenses	-	5,558	5,558
	<u>91,545</u>	<u>206,067</u>	<u>297,612</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Raising donations and legacies	4,009	-	4,009
Other trading activities	6,656	-	6,656
Staff salaries and expenses	139,805	-	139,805
Premises expenses	24,918	-	24,918
Office expenses	13,558	12,737	26,295
Depreciation	9,491	-	9,491
Motor expenses	5,558	-	5,558
	<u>203,995</u>	<u>12,737</u>	<u>216,732</u>

9. NET INCOME/(EXPENDITURE)

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

	2018 £	2017 £
Auditors' remuneration	2,950	4,000
The auditing of accounts of any associate of the charity	2,950	4,000
Depreciation - owned assets	<u>37,436</u>	<u>42,296</u>

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2018**

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2018 nor for the year ended 31 March 2017.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2018 nor for the year ended 31 March 2017.

11. STAFF COSTS

	2018 £	2017 £
Wages and salaries	141,137	247,540
Other pension costs	(1,332)	5,600
	<u>139,805</u>	<u>253,140</u>

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

	2018	2017
Museum Assistants	1	3
Cleaning Staff	1	1
Administrative Staff	6	7
	<u>8</u>	<u>11</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	5,906	-	5,906
Charitable activities			
Educational events	-	129,684	129,684
Staff salaries and expenses	-	144,681	144,681
Premises expenses	-	31,000	31,000
Office expenses	-	19,150	19,150
Other trading activities	161,850	-	161,850
Investment income	107,083	-	107,083
Total	<u>274,839</u>	<u>324,515</u>	<u>599,354</u>
EXPENDITURE ON			
Raising funds	32,616	130,622	163,238
Charitable activities			
Staff salaries and expenses	109,975	144,681	254,656
Premises expenses	62,850	12,575	75,425
Office expenses	32,440	-	32,440
Depreciation	40,673	1,623	42,296
Motor expenses	3,644	-	3,644
Total	<u>282,198</u>	<u>289,501</u>	<u>571,699</u>
NET INCOME/(EXPENDITURE)	<u>(7,359)</u>	<u>35,014</u>	<u>27,655</u>

Bodelwyddan Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2018

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	640,118	56,914	697,032
TOTAL FUNDS CARRIED FORWARD	<u>632,759</u>	<u>91,928</u>	<u>724,687</u>

13. TANGIBLE FIXED ASSETS

	Improvement to freehold prop £	Fixtures and fittings £	Totals £
COST			
At 1 April 2017	904,958	292,525	1,197,483
Additions	-	71	71
At 31 March 2018	<u>904,958</u>	<u>292,596</u>	<u>1,197,554</u>
DEPRECIATION			
At 1 April 2017	731,685	272,720	1,004,405
Charge for year	27,945	9,491	37,436
At 31 March 2018	<u>759,630</u>	<u>282,211</u>	<u>1,041,841</u>
NET BOOK VALUE			
At 31 March 2018	<u>145,328</u>	<u>10,385</u>	<u>155,713</u>
At 31 March 2017	<u>173,273</u>	<u>19,805</u>	<u>193,078</u>

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

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
MARKET VALUE	
At 1 April 2017 and 31 March 2018	<u>20</u>
NET BOOK VALUE	
At 31 March 2018	<u>20</u>
At 31 March 2017	<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.

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2018**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	72,017	19,587
Amounts owed by group undertakings	80,532	101,775
Other debtors	65,151	27,650
VAT	4,866	-
Prepayments	31,348	14,721
	<u>253,914</u>	<u>163,733</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts (see note 17)	-	1,361
Trade creditors	12,110	102,468
VAT	-	460
Other creditors	1,221	1,056
Accrued expenses	21,250	15,600
	<u>34,581</u>	<u>120,945</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year on demand:		
Bank overdraft	-	1,361
	<u>-</u>	<u>1,361</u>

18. MOVEMENT IN FUNDS

	At 1/4/17 £	Net movement in funds £	Transfers between funds £	At 31/3/18 £
Unrestricted funds				
Unrestricted reserve	632,758	8,230	(1,650)	639,338
Restricted funds				
DCC & Designated arts fund	51,589	(1,956)	-	49,633
Restricted capital grant reserve	3,266	(1,221)	-	2,045
Welsh Government Exhibition Refurbishment	21,498	(23,148)	1,650	-
Mental Health	189	-	-	189
Gwynt y Mor	287	-	-	287
HLF Lottery Transition	15,100	(15,100)	-	-
	<u>91,929</u>	<u>(41,425)</u>	<u>1,650</u>	<u>52,154</u>
TOTAL FUNDS	<u>724,687</u>	<u>(33,195)</u>	<u>-</u>	<u>691,492</u>

Bodelwyddan Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2018**

18. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Unrestricted reserve	234,180	(225,950)	8,230
Restricted funds			
DCC & Designated arts fund	144,681	(146,637)	(1,956)
Welsh Government Exhibition Refurbishment	-	(23,148)	(23,148)
Trenches Project	25,195	(25,195)	-
HLF Lottery Transition	11,950	(27,050)	(15,100)
Restricted capital grant reserve	-	(1,221)	(1,221)
	<u>181,826</u>	<u>(223,251)</u>	<u>(41,425)</u>
TOTAL FUNDS	<u>416,006</u>	<u>(449,201)</u>	<u>(33,195)</u>

Comparatives for 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>

Comparative 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 2018

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

Bodelwyddan Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2018

19. PENSION COMMITMENTS - continued

Scheme surplus/(deficit)	<u>(67,000)</u>
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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

	2018 £	2017 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

As at 31 March 2018 neither the trust nor its subsidiary company had any capital commitments (2017: £ Nil).

21. RELATED PARTY DISCLOSURES

As described elsewhere, Bodelwyddan Castle Enterprises Limited is wholly owned subsidiary of Bodelwyddan Castle Trust.

Bodelwyddan Castle Enterprises Limited manages and operates the trading activities on behalf of the trust, in the form of a gift shop, tea room and event management. Under a deed of covenant, Bodelwyddan Castle Enterprises Limited, gifts its profit to the trust on an annual basis.

The trust also recharges an element of administrative expense to the enterprise company in respect of salaries, rent and telephone costs incurred by the trust on the enterprise company's behalf. The amounts included within these financial statements in respect of these items are as follows: Wages and salaries £58,085 (2017: £56,969) and telephone expenses £500 (2017: £500).

22. TRUSTEE TRANSACTIONS

During the financial year ending 31 March 2018 there were no transactions between the group nor the trust and the trustees (2017: £ 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 2018

	2018 £	2017 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gift aid	7,664	5,906
Other trading activities		
Fundraising events	184	471
Curatorial Service	-	15,782
Admissions	103,729	130,282
Events	1,945	728
Other income	3,065	3,140
Subsidiary covenant received	10,172	11,447
	<u>119,095</u>	<u>161,850</u>
Investment income		
Rents received	107,329	107,029
Deposit account interest	92	54
	<u>107,421</u>	<u>107,083</u>
Charitable activities		
Grants	181,826	324,515
Total incoming resources	<u>416,006</u>	<u>599,354</u>
EXPENDITURE		
Other trading activities		
Bad debts		667
Educational event expenditure	103,441	134,658
Artist Room	5,500	-
Professional Consultancy	31,983	4,050
	<u>140,924</u>	<u>139,375</u>
Charitable activities		
Light and heat	23,163	17,828
Grounds maintenance	2,449	4,949
Equipment hire	1,058	3,079
Computer running costs	2,084	2,742
Repairs and renewals	34,178	32,166
Household and cleaning	668	606
Research Fees	-	400
Freehold property	27,945	31,332
	<u>91,545</u>	<u>93,102</u>
Support costs		
Management		
Wages	141,137	247,540
Pensions	(1,332)	5,600
Insurance	24,918	19,976
Telephone	1,742	1,657
Postage and stationery	1,676	2,126
Advertising	13,586	23,133
Staff training	-	262
Bank charges	2,364	2,494
Carried forward	184,091	302,788

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 2018**

	2018 £	2017 £
Management		
Brought forward	184,091	302,788
Motor expenses	1,784	1,254
Volunteer expenses	8,629	9,043
Fixtures and fittings	9,491	10,964
	<u>203,995</u>	<u>324,049</u>
Governance costs		
Auditors' remuneration	2,950	4,000
Auditors' remuneration for non audit work	2,950	4,000
Book-keeping fees	6,311	4,774
Legal fees	526	2,399
	<u>12,737</u>	<u>15,173</u>
Total resources expended	449,201	571,699
	<u> </u>	<u> </u>
Net (expenditure)/income	<u>(33,195)</u>	<u>27,655</u>