

BODELWYDDAN CASTLE TRUST

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NINTH ANNUAL REPORT

AND

CONSOLIDATED ACCOUNTS

YEAR ENDED 31 MARCH 2003

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

BODELWYDDAN CASTLE TRUST

ANNUAL REPORT AND CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

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BODELWYDDAN CASTLE TRUST

A Company Limited by Guarantee with Charitable Status

Registered in Wales No. 2899285

Registered Charity No. 1040969

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

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

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

The Trust's Registered Office is as follows:

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

Telephone: 01745 584060

Fax: 01745 584563

Contact: Kevin Mason, Company Secretary

Principal Bankers: Nat West Bank plc, Rhyl, Denbighshire

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

REPORT OF THE TRUSTEES

The Trustees submit their ninth report together with the audited financial statements for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

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

REVIEW OF THE YEAR

A report highlighting the year is attached.

RESULTS

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

TRUSTEES

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

The Trustees met as a Council of Management on four occasions during the period, and their names are shown on page 7 together with any variations in the numbers of Trustees during the period.

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust, and enable them to

ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


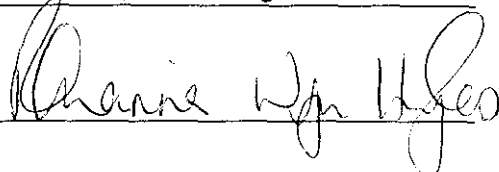
The Council of Management of Bodelwyddan Castle Trust wish to ensure the highest level of safety and welfare of the visiting public, the employees of the Trust, and the property administered by the Trust. To this end they will: establish a Risk Management Sub-committee to advise Trustees on the steps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

The Council of Management of Bodelwyddan Castle Trust have adopted the following policy on its Reserves. We use the term "Reserves" to describe that part of a charity's income funds that is freely available for its general purposes. "Reserves" are therefore the reserves the charity has or can make available to spend for any or all of the charity's purposes once it has met its commitments and covered its other planned expenditure. The charity will hold a level of funds committed, if the situation arises, for the winding up of the Trust, which equates to 6 months trading at current calculations. This amount will be periodically reviewed. The whole balance of reserves is designated in the short term to the refurbishment of the Red Galleries 2002 - 2004.

AUDITORS

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

Approved by the Trustees and signed on their behalf by:

K S Mason (Company Secretary)

R. Hughes (Chairman)



Date

BODELWYDDAN CASTLE TRUST
CHAIRMAN'S STATEMENT

I am pleased to introduce this Annual Report and the Accounts, which show further evidence of improvement in all aspects of the work of the Trust over the past year. The successful development of the Trust is built on a sound foundation of financial support from Denbighshire County Council for which the Trust remains very grateful. The authority's continued confidence in the work of the Trust is quite clear. This confidence has allowed the Trust to generate success.

The Review of the Year highlights the significant contribution made by our partner organisations in assisting the development of the Trust. In particular, the refurbishment of the first floor galleries is a project of immense importance and we eagerly anticipate the opening of those galleries in 2003. I am pleased to acknowledge the financial support made available through the National Portrait Gallery, Heritage Lottery Fund and others. I would also like to thank the staff of the National Portrait Gallery for their assistance in creating the concept and content of the new galleries and for their efforts to ensure the success of the new spaces. Muf Architecture/Art has been responsible for taking these initial concepts and refining them into a stunning design that reflects the aspirations of the Trust.

Once again, I wish to record my thanks to the staff who have negotiated another busy year with the sheer determination and hard work that they have shown previously. The difficulties of day-to-day operation during the first floor gallery refurbishment work have been tackled with the clear desire to ensure that the optimum level of public service is maintained.

Rhiannon Hughes
Chair

BODELWYDDAN CASTLE TRUST
REVIEW OF THE YEAR

The spirit of change, that is evident within previous Annual Reports, is continued in this review of the past year. The Trust has maintained the momentum built up over several years of development with a most ambitious project to refurbish the first floor galleries. This has been a significant event during the year though not the only matter that should be highlighted. Steady improvement in a range of activities can be reported including excellent work within education and lifelong learning through the activities of the Joint Area Museums Education Service.

The last report noted that staffing levels remained at a very low level and only a small improvement has been possible during the year. The strategy of the Trust has been to establish a development reserve that will help to ensure continued growth in services in future years. Expenditure levels have remained under firm control with this end in mind and this has meant a strict control on staff numbers, throughout the organisation but particularly at management and administrative level.

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

The year under review will stand as an important milestone in the history of the Trust. The opportunities for building on this successful year should not be underestimated and the Trust should look forward to a period of prudent though bold expansion.

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

BODELWYDDAN CASTLE TRUST
TRUSTEES, ADVISORS AND PATRONS

Councillor Rhiannon Hughes (Chair)	appointed by Denbighshire CC 27 th August 1999
Councillor Richard Jones	appointed by Denbighshire CC 27 th August 1999
Mr George Rushton	appointed by Warner Holidays Ltd. 28 Feb 1994
Mr Joe Stenson	appointed by Warner Holidays Ltd. 17 Sept 1998
Mr Mervyn Phillips	appointed 28 Feb 1994; reappointed 27 th August 1999
Mr Llion Williams	appointed 28 Feb 1994 reappointed 19 th October 2000
Mr Alan Bryan	appointed 7 Sept 1994 reappointed 8 th November 2002
Mr Philip Eyton-Jones	appointed 17 July 1995; reappointed 27 th August 1999
Dr June Arnold	co-opted 16 Oct 1998; appointed 27 th August 1999
Mr Aldham Robarts	appointed 27 th August 1999
Mrs Anne Waller	appointed 27 th August 1999
Mr Alex Bell	appointed 2 nd November 2001
Dr Ken Davies	appointed 2 nd November 2001 (formerly appointed by the Friends of Bodelwyddan Castle until 2 nd November 2001)

Ex Officio members, members and advisors

Dr Charles Saumarez-Smith, Director, National Portrait Gallery (to November 2002)
Mr Sandy Nairne, Director, National Portrait Gallery (from November 2002)
Mr Elwyn Conway
Mr Colin Drake
Cllr. Mrs D. Jones
Cllr Patrick Heesom

Patrons

The Marchioness of Anglesey
The Hon Lord Rees

Company Secretary

Dr Kevin Mason

ENTERPRISES COMPANY - REVIEW OF THE YEAR

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

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

BODELWYDDAN CASTLE TRUST

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

Directors of the Enterprises Company as at 31st March 2003

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

Company Secretary:
Dr Kevin Mason, Director

BODELWYDDAN CASTLE TRUST

INDEPENDANT AUDITORS' REPORT TO THE TRUSTEES OF BODELWYDDAN CASTLE TRUST

We have audited the financial statements of Bodelwyddan Castle Trust on pages 11 to 20 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 15.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

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

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

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

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

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

BASIS OF OPINION

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

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

OPINION

In our opinion the financial statements give a true and fair view of the state of the charitable company's and the groups affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


Royce Peeling Green
Chartered Accountants
Registered Auditors
Irish Square
Upper Denbigh Road
St Asaph
Denbighshire
LL17 0RN

Date: 21/11/03

BODELWYDDAN CASTLE TRUST**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2003**

	Notes	General Fund	Designated Art Fund	£ Total Fund	2002 £
INCOME & EXPENDITURE					
Incoming Resources					
Admission charges		115,177	-	115,177	119,877
Events and sundry income		-	-	-	2,521
Grants received	3	194,000	-	194,000	207,114
Investment income	4	75,380	875	76,255	69,237
Net income of trading subsidiary	2	19,386	-	19,386	16,159
Other income receivable as turnover income		4,573	-	4,573	3,254
Total Income		<u>408,516</u>	<u>875</u>	<u>409,391</u>	<u>418,162</u>
Resources Expended					
Management and Administration	6	(351,975)	-	(351,975)	(369,383)
Net Incoming/(Outgoing) Resources Before Transfers		56,541	875	57,416	48,779
Total funds brought forward		<u>212,743</u>	<u>66,723</u>	<u>279,466</u>	<u>230,687</u>
Total funds carried forward		<u>269,284</u>	<u>67,598</u>	<u>336,882</u>	<u>279,466</u>

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

BODELWYDDAN CASTLE TRUST**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2003**

	Notes	2003 £	2002 £
INCOME			
Admission charges		115,177	119,877
Events and sundry income		-	2,521
Grants received	3	194,000	207,114
Net income of trading subsidiary	2	19,386	16,159
Investment income	4	76,255	69,237
Other income receivable as turnover income		4,573	3,254
TOTAL INCOME		409,391	418,162
EXPENDITURE			
Administrative expenses	6	(351,975)	(369,383)
NET INCOME FOR THE YEAR		57,416	48,779
APPLIED			
General fund	11	56,425	48,286
Designated arts fund	12	875	875
Non charitable trading fund	13	116	(382)
		57,416	48,779

Continuing operations

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

Total recognised gains and losses

The Trust has no recognised gains or losses other than the surplus or deficit for the above two financial years.

BODELWYDDAN CASTLE TRUST**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2003**

	Notes	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible assets	7		356,998		82,726
CURRENT ASSETS					
Stocks		12,916		14,452	
Debtors	8	25,109		32,126	
Cash at bank and in hand		225,248		258,753	
		<u>263,273</u>		<u>305,331</u>	
CREDITORS: amounts falling due within one year	9	(152,731)		(62,006)	
NET CURRENT ASSETS			110,542		243,325
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>467,540</u>		<u>326,051</u>
CREDITORS: amounts falling due after more than one year	10		-		(31,584)
ACCRUALS AND DEFERRED INCOME					
Deferred government grants			(130,658)		(15,000)
NET ASSETS			<u>336,882</u>		<u>279,467</u>
CAPITAL AND RESERVES					
Designated art fund	12		67,599		66,724
General fund	11		270,550		214,126
Non charitable trading fund	13		(1,267)		(1,383)
			<u>336,882</u>		<u>279,467</u>

The financial statements were approved by the trustees on 21.11.03
and signed on its behalf by:


Trustee


Trustee

BODELWYDDAN CASTLE TRUST**BALANCE SHEET
AT 31 MARCH 2003**

	Notes	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible assets	7		339,698		65,408
Investments	8		20		20
			<u>339,718</u>		<u>65,428</u>
CURRENT ASSETS					
Debtors	9	118,394		155,068	
Cash at bank and in hand		154,656		160,908	
		<u>273,050</u>		<u>315,976</u>	
CREDITORS: amounts falling due within one year	10	<u>(143,961)</u>		<u>(53,970)</u>	
NET CURRENT ASSETS			129,089		262,006
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>468,807</u>		<u>327,434</u>
CREDITORS: amounts falling due after more than one year	11		-		(31,584)
ACCRUALS AND DEFERRED INCOME					
Deferred government grants			(130,658)		(15,000)
NET ASSETS			<u>338,149</u>		<u>280,850</u>
CAPITAL AND RESERVES					
Designated Art Fund	13		67,599		66,724
General Fund	12		270,550		214,126
			<u>338,149</u>		<u>280,850</u>

The financial statements were approved by the trustees on 21.11.03
and signed on its behalf by:

Trustee

Trustee

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

BODELWYDDAN CASTLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

1. STATEMENT OF ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, in accordance with the provisions of the Companies Act 1985 and Statement of Recommended Practice 2, Accounting by Charities.

Consolidation

The group financial statements consolidate the financial statements of the Trust and its subsidiary made up to 31st March 2003.

Cash flow

The Company and its subsidiary qualify as a small group under the Companies Act 1985. The trustees have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Income

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

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

Depreciation of tangible fixed assets

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

Furniture & fittings	20% straight line
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Property improvements	10% straight line
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No depreciation is charged on freehold and long leasehold land and buildings.

Grants

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

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

Pension costs

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

Taxation

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

BODELWYDDAN CASTLE TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

2. NET INCOME/(EXPENDITURE) OF TRADING SUBSIDIARY

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

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

A summary of its trading results for the year ended 31st March 2003 is shown below. Audited financial statements have been filed with the Registrar of Companies.

Profit and loss account

	2003 £	2002 £
Turnover	140,640	127,481
Cost of sales	<u>(46,577)</u>	<u>(57,399)</u>
Gross Profit	94,063	70,082
Administrative Expenses	<u>(79,993)</u>	<u>(58,085)</u>
	14,070	11,997
Rent received	4,500	4,094
Covenant paid to Trust	<u>(19,270)</u>	<u>(16,541)</u>
Operating profit/(loss)	(700)	(450)
Investment income and interest receivable	1,691	943
Interest payable and similar charges	<u>(875)</u>	<u>(875)</u>
Profit/(loss) on ordinary activities before taxation	<u>116</u>	<u>(382)</u>

3. GRANTS RECEIVED

	2003 £	2002 £
Denbighshire County Council	194,000	194,000
Other grant income	-	13,114
	<u>194,000</u>	<u>207,114</u>

BODELWYDDAN CASTLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003****4. INVESTMENT INCOME**

	2003 £	2002 £
Rent receivable	65,305	60,870
Interest Receivable:		
General Fund	10,075	7,492
Designated Arts Fund	875	875
	<u>76,255</u>	<u>69,237</u>

5. SALARY INFORMATION

	2003 £	2002 £
Staff costs		
Wages and salaries	<u>226,143</u>	<u>212,643</u>
	2003 No.	2002 No.
The average monthly number of employees during the year was made up as follows:		
Administration	5	5
Museum Assistants	13	12
Cleaners	3	2
	<u>21</u>	<u>19</u>

6. EXPENDITURE

Expenditure is stated:	2003 £	2002 £
after charging:		
Depreciation of fixed assets	7,056	7,054
Audit Services	1,000	1,000
Consultancy and Accountancy	<u>3,400</u>	<u>4,328</u>

BODELWYDDAN CASTLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003****7. TANGIBLE FIXED ASSETS**

	Land and buildings £	Fixtures and fittings £	Total £
Cost:			
At 1 April 2002	63,575	122,094	185,669
Additions	278,202	3,144	281,346
At 31 March 2003	341,777	125,238	467,015
Depreciation:			
At 1 April 2002	-	102,943	102,943
Charge for year	-	7,074	7,074
At 31 March 2003	-	110,017	110,017
Net book value:			
At 31 March 2003	341,777	15,221	356,998
At 31 March 2002	63,575	19,151	82,726
		2003	2002
		£	£
Analysis of net book value of land and buildings:			
Long leasehold		17,300	17,300
Tenant's improvements to property		324,477	46,275
		341,777	63,575

8. DEBTORS

	2003 £	2002 £
Trade debtors	8,111	17,930
Prepayments and accrued income	16,998	14,196
	25,109	32,126

9. CREDITORS: amounts falling due within one year

	2003 £	2002 £
Trade creditors	54,650	21,308
Owed to Denbighshire County Council	70,728	28,889
Accruals	27,353	11,809
	152,731	62,006

BODELWYDDAN CASTLE TRUST**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003****10. CREDITORS: amounts falling due after more than one year**

	2003 £	2002 £
Other loans:		
Between one and two years	-	20,000
Between two and five years	-	11,584
	-	31,584

Other loans represent an amount owed to Denbighshire County Council, in respect of salary costs, which the Trust has negotiated to repay at a rate of £10,000 per half year.

11. GENERAL FUND

	2003 £	2002 £
Retained surplus at 1 April 2002	214,125	165,709
Surplus for the year	56,425	48,416
Retained surplus at 31 March 2003	270,550	214,125

12. DESIGNATED ARTS FUND

	2003 £	2002 £
Balance at beginning of year	66,724	65,849
Surplus for the year	875	875
Balance at year end	67,599	66,724

13. NON CHARITABLE TRADING FUND

	2003 £	2002 £
Accumulated losses at 1 April 2002	(1,383)	(1,001)
Surplus/(Loss) for the year	116	(382)
Accumulated losses at 31 March 2003	(1,267)	(1,383)

14. CAPITAL COMMITMENTS

The Trust has capital commitments under non cancellable contracts to the value of £146,108 relating to the refurbishment of the galleries.

BODELWYDDAN CASTLE TRUST

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003**

15. PENSION COSTS

The company operates a defined benefit scheme for the benefit of employees. A full actuarial valuation was carried out at 31 March 2001 and updated to 31 March 2002 by a qualified independent actuary. The major assumptions used by the actuary were:

	31st March 2003
Rate of increase in salaries	3.5%
Rate of increase in pensions in payment	2.5%
Discount rate	6.5%
Inflation assumption	1.5%

The assets in the scheme were:

	Value £
Equities	121,510
Bonds	22,483
Other	27,632

Total market value of assets	171,625
Present value of scheme liabilities	(214,914)

Deficit in scheme	(43,289)
Related deferred tax liability	-

Net Pension Deficit	<u><u>(43,289)</u></u>

Over the year to 31 March 2003, the actual company contributions were £21,139 (2002 - £18,876).

The actuarial valuation at 31 March 2001 recommended a company contribution rate of 10.5% of pensionable salaries, which amounts to around £12,786 a year based on pensionable payroll at 31 March 2002.

This rate will be reviewed at the next full actuarial valuation due at 31 March 2004 and at three yearly intervals thereafter.