

REGISTERED COMPANY NUMBER: 07639471 (England and Wales)
REGISTERED CHARITY NUMBER: 1144524

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
FOR
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

MHA
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

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19/08/2023

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COMPANIES HOUSE

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2023**

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**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

The trustees, who are also directors for the purposes of the Companies Act 2006, present their report with the financial statements of the Trust for the year ended 30 April 2023. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's primary objective is to preserve the heritage and assure the future of Hay Castle in Hay-on-Wye. The Trust aims to promote community and visitor involvement in an active, living amenity which is a focal feature of the town and surrounding area.

Operational strategies for achieving this objective and these aims include:

- stewardship and maintenance of the Castle and of its adjoining buildings, grounds and gardens;
- promoting education on the history and architecture of the Castle and local history generally;
- provision of a venue for cultural enrichment through the arts;
- generating training opportunities in relevant local skills;
- providing a venue and a forum for community benefit and enjoyment;
- securing sufficient funding to meet the Trust's objectives; and
- operating the Castle as an income-generating venue, sufficient to ensure its long-term survival as a cultural venue and community asset.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning activities for the year.

ACHIEVEMENT AND PERFORMANCE

The restoration of the main building has been successfully completed and the Castle opened to the public on 27 May 2022.

We welcomed over 130,000 visitors during the financial year.

Income arises from visitor admission fees, donations, and Castle tours. Income also arises from events held within the Castle's grounds, as well as from the shop and the outsourced café.

Admission fees were introduced, with effect from 20 March 2023, to strengthen the financial sustainability of the Trust, especially in light of cost inflation. The admission arrangements were designed following consultation with the local community and include a local pass providing free entry for those living within a ten mile radius of the Castle. We have also relaunched our Friends and Keepers schemes, enabling supporters to contribute to the Trust at various levels.

Four major exhibitions have been opened:

- Portraits of Writers, comprising paintings and photographs on loan from the National Portrait Gallery, ran between May 2022 and September 2022.
- The Printed Line, in collaboration with Arts Council England, ran between October 2022 and February 2023.
- Eugene Fisk: Life in Colour, featuring works by a local artist, ran between February 2023 and May 2023.
- Architecture & Poetry opened in May 2023 and will run until September 2023.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

ACHIEVEMENT AND PERFORMANCE (continued)

We ran a programme of talks and events for the local community and visitors covering a wide range of topics, from life drawing to the history of money.

Robert Collingwood was appointed as trustee during the period, bringing additional architectural, business and not for profit sector experience to the trustee body.

Two founding trustees, Paul Greatbatch and Elizabeth Haycox have retired as trustees, along with Robert Hughes who became a trustee in 2015. The restoration project would not have been possible without their vision, commitment, resilience and support.

The Castle could not operate without our dedicated team of volunteers who welcome visitors to the Castle, run tours, assist in the shop and help to maintain the grounds.

The Trust continues to work towards full Museum Accreditation, having already been granted the status of Working Toward Accreditation. We are working with the National Portrait Gallery's Skills and Knowledge Programme to enhance our curatorial expertise. We welcomed a creative intern for six months, supported by the National Portrait Gallery.

FINANCIAL REVIEW

The attached financial statements reflect the transactions and position of the Trust for the year to 30 April 2023. The Statement of Financial Activities shows a net income for the year of £139,961 (2022 - net income £1,127,536). In accordance with the accounting policies all grant income (including capital grants) has been recognised in the Statement of Financial Activities.

Principal funders

We are extremely grateful for the continued support of the organisations that provide funding for our capital and operational projects. The National Lottery Heritage Fund awarded additional grant funding of £255,937 during the year (a further £127,392 of income recognised in respect of funding retentions). Lindenleaf CIO provided an additional loan of £139,000 and Arts Council England provided £25,200 for the Portraits of Writers exhibition. Subsequent to the year end, The Moondance Foundation awarded a grant of £59,000.

Reserves

The trustees have considered the need for free reserves to provide financial resilience. The target is an amount sufficient to cover at least three months budgeted operating expenses, or approximately £120,000.

The unrestricted reserves as at 30 April 2023 amount to £9,491,855. After deducting the value of fixed assets, adding the £939,000 loan from Lindenleaf CIO (the terms of which are set out in note 21 to the financial statements) and adding the distributable reserves of £51,000 in the subsidiary company (Hay Castle Trading Limited), the adjusted free reserves at 30 April 2023 amount to approximately £51,000, or 42% of the target amount. It is in the intention to strengthen the reserves position over time.

FUTURE PLANS

The vision of the Trust is to ensure that the Castle remains attractive both to the local community and visitors from further afield through the continued provision of high quality activities, including exhibitions and events as well as retail and catering outlets.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The power of appointing new or additional trustees is vested in the trustees.

Organisational structure

Governance and the financial health of the Trust are the responsibility of the trustees. None of the trustees has any beneficial interest in the Trust. All the trustees are members of the Trust and guarantee to contribute a sum not exceeding £10 in the event of a winding up.

The Castle is operated on a day-to-day basis by the Executive Director and his team. Following the completion of the first year of operation, staff appraisals have been undertaken and development opportunities identified.

Induction and training of new trustees

Trustees are expected to identify their training needs and take measures to ensure these needs are met.

Key management remuneration

The pay of senior staff is set by the Trustees having regard to market rates.

Risk management

A risk register is regularly updated and is reviewed at each board meeting. The key risks considered during the year included:

- Completion of the restoration project and agreement of the final account with the contractor. The restoration is now substantially complete and the final account has been agreed.
- The financial sustainability of the Trust, especially in view of cost inflation. Admission fees have been introduced with effect from 20 March 2023 and grant funding continues to be pursued.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07639471 (England and Wales)

Registered Charity number
1144524

Registered office
Hay Castle
Oxford Road
HAY-ON-WYE
Powys
HR3 5DG

Trustees

The current trustees are:

Jennifer Bennett	
Robert Collingwood	Appointed 18 April 2023
Edward Fox	
Christopher Fyles	
Fiona Howard	
Susan Malthouse	Chair
Carol Peace	
Stephen Purse	
Alice Sherwood	

The following trustees also held office during the year:

Paul Greatbatch	Resigned 21 October 2022
Elizabeth Haycox	Resigned 21 October 2022
Robert Hughes	Resigned 19 May 2023

Senior management

Tom True	Executive Director
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Auditors

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Bankers

Barclays
1-3 Broad Street
Hereford
HR4 9BH

CHANGE OF NAME

The name of the charitable company was changed from Hay Castle Trust Limited to Hay Castle Trust with effect from 7 March 2023.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hay 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

On 30 June 2023 as a result of a recent merger, Watts Gregory LLP resigned as auditors in accordance with Section 516 of the Companies Act 2006 and re-engaged its services as MHA.

The auditors, MHA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees 14th August 2023 and signed on its behalf by:


Susan Malthouse - Trustee

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

Opinion

We have audited the financial statements of Hay Castle Trust (the 'charitable company') for the year ended 30 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 30 April 2023 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 Auditor 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Trustees and from the requirement to prepare a Strategic Report.

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.

Auditor responsibilities for the audit of the financial statements

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 an Auditor's Report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations to underlying supporting documentation.

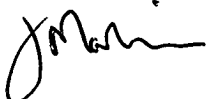
Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involved intentional concealment, forgery, collusion, omission or misrepresentations.

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 Auditor.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of MHA Statutory Auditor
CARDIFF, United Kingdom

Date: 16 August 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	42,664	392,998	435,662	1,279,529
Charitable activities	6				
Advancing education on the architecture of Hay Castle, local history and the arts		50,568	31,395	81,963	-
Trading activities	4	97,880	-	97,880	9,781
Investment income	5	<u>224</u>	<u>-</u>	<u>224</u>	<u>15</u>
Total		<u>191,336</u>	<u>424,393</u>	<u>615,729</u>	<u>1,289,325</u>
EXPENDITURE ON					
Raising funds	7	26,572	-	26,572	1,748
Charitable activities	8				
Preservation of Hay Castle		12,214	-	12,214	160,041
Advancing education on the architecture of Hay Castle, local history and the arts		<u>369,123</u>	<u>67,859</u>	<u>436,982</u>	<u>-</u>
Total		<u>407,909</u>	<u>67,859</u>	<u>475,768</u>	<u>161,789</u>
NET INCOME/(EXPENDITURE)					
Transfers between funds	22	(216,573) <u>245,519</u>	356,534 <u>(245,519)</u>	139,961 <u>-</u>	1,127,536 <u>-</u>
Net movement in funds		28,946	111,015	139,961	1,127,536
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>9,462,909</u>	<u>50,884</u>	<u>9,513,793</u>	<u>8,386,257</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>9,491,855</u></u>	<u><u>161,899</u></u>	<u><u>9,653,754</u></u>	<u><u>9,513,793</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

BALANCE SHEET
30 APRIL 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	15	54,900	-	54,900	9,958,154
Heritage assets	16	10,376,090	-	10,376,090	5,700
Investments	17	1	-	1	1
		10,430,991	-	10,430,991	9,963,855
CURRENT ASSETS					
Debtors	18	106,831	377,214	484,045	359,398
Cash at bank and in hand		386,176	(215,315)	170,861	341,067
		493,007	161,899	654,906	700,465
CREDITORS					
Amounts falling due within one year	19	(1,409,643)	-	(1,409,643)	(1,118,027)
NET CURRENT ASSETS/(LIABILITIES)		<u>(916,636)</u>	<u>161,899</u>	<u>(754,737)</u>	<u>(417,562)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,514,355	161,899	9,676,254	9,546,293
CREDITORS					
Amounts falling due after more than one year	20	(22,500)	-	(22,500)	(32,500)
NET ASSETS		<u>9,491,855</u>	<u>161,899</u>	<u>9,653,754</u>	<u>9,513,793</u>
FUNDS	22				
Unrestricted funds				9,491,855	9,462,909
Restricted funds				161,899	50,884
TOTAL FUNDS				<u>9,653,754</u>	<u>9,513,793</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 14th August 2023 and were signed on its behalf by:


 Susan Malthouse - Trustee

The notes form part of these financial statements

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	180,519	1,233,994
Interest paid		<u>(947)</u>	<u>(892)</u>
Net cash provided by operating activities		<u>179,572</u>	<u>1,233,102</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(479,002)	(1,253,131)
Interest received		<u>224</u>	<u>15</u>
Net cash used in investing activities		<u>(478,778)</u>	<u>(1,253,116)</u>
Cash flows from financing activities			
New loans in year		139,000	150,000
Loan repayments in year		<u>(10,000)</u>	<u>(7,500)</u>
Net cash provided by financing activities		<u>129,000</u>	<u>142,500</u>
Change in cash and cash equivalents in the reporting period		(170,206)	122,486
Cash and cash equivalents at the beginning of the reporting period		<u>341,067</u>	<u>218,581</u>
Cash and cash equivalents at the end of the reporting period		<u><u>170,861</u></u>	<u><u>341,067</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	139,961	1,127,536
Adjustments for:		
Depreciation charges	11,866	1,421
Interest received	(224)	(15)
Interest paid	947	892
(Increase)/decrease in debtors	(124,647)	152,129
Increase/(decrease) in creditors	<u>152,616</u>	<u>(47,969)</u>
Net cash provided by operations	<u><u>180,519</u></u>	<u><u>1,233,994</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/5/22 £	Cash flow £	At 30/4/23 £
Net cash			
Cash at bank and in hand	<u>341,067</u>	<u>(170,206)</u>	<u>170,861</u>
	<u>341,067</u>	<u>(170,206)</u>	<u>170,861</u>
Debt			
Debts falling due within 1 year	(810,000)	(139,000)	(949,000)
Debts falling due after 1 year	<u>(32,500)</u>	<u>10,000</u>	<u>(22,500)</u>
	<u>(842,500)</u>	<u>(129,000)</u>	<u>(971,500)</u>
Total	<u><u>(501,433)</u></u>	<u><u>(299,206)</u></u>	<u><u>(800,639)</u></u>

The notes form part of these financial statements

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

1. STATUTORY INFORMATION

Hay Castle Trust is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Hay Castle, Oxford Road, Hay-on-Wye, HR3 5DG.

The charity does not have any share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the Trust's operations are described in the Report of the Trustees.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. 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 the UK and Republic of Ireland (FRS 102) (effective January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There have been no material departures from Financial Reporting Standard 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policies.

Going concern

Financial projections have been prepared for a period covering 12 months from the approval of these financial statements. These include both the projected operating results and the cash flows relating to the agreement of the final account with the contractor for the restoration project. The key assumptions are the estimated visitor footfall, which has been based on experience since opening to the public in May 2022, and the availability of grant funding.

Consideration has also been given to the continued availability of the loan from Lindenleaf CIO, further details of which are provided in note 21.

In these circumstances, the trustees have concluded that no adjustments or additional disclosures are required to the financial statements and are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

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.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

2. ACCOUNTING POLICIES - continued

Income

Investment income is recognised on a receivable basis.

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.

Expenditure on costs of raising funds include costs of fundraising, advertising, marketing and direct mail materials as well as a consultancy fees.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any residual value, over their expected useful economic life as follows:

Plant and machinery	25% straight line
Fixtures and fittings	10% - 20% straight line
Computer equipment	33% straight line

During the period of restoration, freehold land and buildings were held at cost and not depreciated.

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Investments

Investments are stated at cost less any impairment at the balance sheet date.

Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation if known. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Those heritage assets currently recognised on the balance sheet have indefinite lives and are therefore not depreciated but reviewed at each reporting date for impairment.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

The Trust maintains a register for its collections of heritage assets which records the nature and current location of each asset.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

2. ACCOUNTING POLICIES - continued

Taxation

The Trust has been granted exemption from UK corporation tax by virtue of its charitable status. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds which are set aside by the trustees for a specific purpose.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Transfers are made from restricted to unrestricted funds relating to the purchase of fixed assets from restricted income where such expenditure fulfils the terms of the restriction.

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.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	23,154	2,625
Gift aid	5,399	70
Grants	392,998	1,273,674
Membership schemes	<u>14,111</u>	<u>3,160</u>
	<u>435,662</u>	<u>1,279,529</u>

Included within donations above, are donations received from art works donated by The Kilvert Gallery for sale by Hay Castle Trust.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

3. DONATIONS AND LEGACIES - continued

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

	2023	2022
	£	£
National Lottery Heritage Fund	383,329	863,859
Welsh Government - LEADER Programme	2,000	6,194
Welsh Government - Wales Cultural Recovery Fund	-	103,621
The Moondance Foundation - COVID support	-	150,000
Welsh Government - Restoration of Hay Castle	-	150,000
The Darkly Trust - purchase of equipment	1,857	-
National Portrait Gallery - Creative Intern funding	5,812	-
	<u>392,998</u>	<u>1,273,674</u>

4. TRADING ACTIVITIES

	2023	2022
	£	£
Honesty bookshop sales	-	2,740
Cafe	61,115	-
Rental income	10,888	7,041
Venue hire	23,570	-
Other income	2,307	-
	<u>97,880</u>	<u>9,781</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>224</u>	<u>15</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Tours income	6,685	-
Entrance ticket income	14,943	-
Heritage and Learning workshops	15,192	-
Grants	31,395	-
Gallery income	5,436	-
Event income	8,312	-
	<u>81,963</u>	<u>-</u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

6. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	2023 £	2022 £
Arts Council England - Portraits of Writers	25,200	-
Federation of Museums and Art Galleries of Wales - The Wild Escape	2,912	-
Welsh Historic Gardens Trust	1,010	-
Brecon Beacons National Park Authority - Community Nature Recovery Grants Scheme	490	-
Welsh Government - GEM Cymru micro grant	1,305	-
Federation of Museums and Art Galleries of Wales - Museum Conference	478	-
	<u>31,395</u>	<u>-</u>

7. RAISING FUNDS

Raising donations and legacies

	2023 £	2022 £
Consultancy fees	<u>2,400</u>	<u>691</u>

Trading activities

	2023 £	2022 £
Cost of functions and events	14,135	435
Depreciation	<u>10,037</u>	<u>622</u>
	<u>24,172</u>	<u>1,057</u>
Total	<u>26,572</u>	<u>1,748</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
Preservation of Hay Castle	12,214	-	12,214
Advancing education on the architecture of Hay Castle, local history and the arts	<u>342,730</u>	<u>94,252</u>	<u>436,982</u>
	<u>354,944</u>	<u>94,252</u>	<u>449,196</u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	137,161	11,698
Heat, light, power, water and waste collection	66,630	32,414
Heritage & learning activities costs	13,294	-
Cleaning costs	28,049	-
Insurances	21,020	16,740
Postage and stationery	2,499	34
Advertising and promotions	2,850	5,666
Gallery expenses	24,581	-
Repairs and maintenance	46,210	9,361
Staff & volunteer travel, training and expenses	2,871	419
Office expenses	5,330	1,427
Recruitment	810	18,175
Website costs	2,760	1,400
Bank charges	879	164
	<u>354,944</u>	<u>97,498</u>

10. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Totals £
Advancing education on the architecture of Hay Castle, local history and the arts	<u>57,201</u>	<u>947</u>	<u>31,154</u>	<u>4,950</u>	<u>94,252</u>
2022	<u>38,852</u>	<u>892</u>	<u>18,029</u>	<u>4,770</u>	<u>62,543</u>

11. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Depreciation - owned assets	11,866	1,421
Auditors' remuneration	<u>4,950</u>	<u>4,000</u>

Depreciation is apportioned to include £10,037 (2022: £622) within raising funds (note 7) and £1,829 (2022: £799) within support costs (note 10).

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration, other benefits or expenses paid for the year ended 30 April 2023 or for the year ended 30 April 2022.

13. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	177,894	94,639
Social security costs	12,740	4,520
Employer pension costs	<u>3,728</u>	<u>1,956</u>
	<u>194,362</u>	<u>101,115</u>

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

	2023	2022
Employees	<u>6</u>	<u>3</u>

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

Staff costs amounting to £NIL (2022 - £50,565) have been capitalised during the year.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 30 APRIL 2022

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	259,476	1,020,053	1,279,529
Trading activities	9,781	-	9,781
Investment income	15	-	15
Total	<u>269,272</u>	<u>1,020,053</u>	<u>1,289,325</u>
EXPENDITURE ON			
Raising funds	1,748	-	1,748
Charitable activities			
Preservation of Hay Castle	<u>101,355</u>	<u>58,686</u>	<u>160,041</u>
Total	<u>103,103</u>	<u>58,686</u>	<u>161,789</u>
NET INCOME	166,169	961,367	1,127,536
Transfers between funds	<u>1,153,686</u>	<u>(1,153,686)</u>	<u>-</u>
Net movement in funds	1,319,855	(192,319)	1,127,536
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>8,143,054</u>	<u>243,203</u>	<u>8,386,257</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>9,462,909</u></u>	<u><u>50,884</u></u>	<u><u>9,513,793</u></u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2022	9,945,104	13,031	10,911	6,947	9,975,993
Additions	425,286	4,465	49,251	-	479,002
Reclassification	<u>(10,370,390)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,370,390)</u>
At 30 April 2023	<u>-</u>	<u>17,496</u>	<u>60,162</u>	<u>6,947</u>	<u>84,605</u>
DEPRECIATION					
At 1 May 2022	-	9,486	6,013	2,340	17,839
Charge for year	<u>-</u>	<u>1,909</u>	<u>8,128</u>	<u>1,829</u>	<u>11,866</u>
At 30 April 2023	<u>-</u>	<u>11,395</u>	<u>14,141</u>	<u>4,169</u>	<u>29,705</u>
NET BOOK VALUE					
At 30 April 2023	<u>-</u>	<u>6,101</u>	<u>46,021</u>	<u>2,778</u>	<u>54,900</u>
At 30 April 2022	<u><u>9,945,104</u></u>	<u><u>3,545</u></u>	<u><u>4,898</u></u>	<u><u>4,607</u></u>	<u><u>9,958,154</u></u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

15. TANGIBLE FIXED ASSETS - continued

Following the successful restoration of the main building, the trustees have re-assessed the classification of the Castle as a Heritage asset. See Note 16.

16. HERITAGE ASSETS

	Total £
COST	
At 1 May 2022	5,700
Reclassification	<u>10,370,390</u>
At 30 April 2023	<u>10,376,090</u>
NET BOOK VALUE	
At 30 April 2023	<u>10,376,090</u>
At 30 April 2022	<u>5,700</u>

Heritage assets comprise of the following:

	2023 £	2022 £
Sculptures and portraits of Richard Booth	5,700	5,700
Property - Castle	<u>10,370,390</u>	<u>-</u>
	<u>10,376,090</u>	<u>5,700</u>

The above assets are held and maintained principally for their contribution to knowledge and culture and in support of the Trust's objectives.

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2022 and 30 April 2023	<u>1</u>
NET BOOK VALUE	
At 30 April 2023	<u>1</u>
At 30 April 2022	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Hay Castle Trading Limited

Registered office: Hay Castle, Oxford Road, Hay-on-Wye, Hereford, United Kingdom, HR3 5DG

Nature of business: Retail (Dormant until May 2022)

Class of share:	%
Ordinary	holding 100

HAY CASTLE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	26,302	120
Other debtors	391,338	307,935
VAT	63,317	43,106
Prepayments and accrued income	3,088	8,237
	<u>484,045</u>	<u>359,398</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loan (see note 21)	10,000	10,000
Other loan (see note 21)	939,000	800,000
Trade creditors	118,370	174,546
Amounts owed to group undertakings	27,116	1
Social security and other taxes	-	4,034
Other creditors	3,302	1,297
Accruals and deferred income	311,855	128,149
	<u>1,409,643</u>	<u>1,118,027</u>

Included within accruals and deferred income above is the following deferred income:

	2023	2022
	£	£
Venue hire	14,573	-
	<u>14,573</u>	<u>-</u>

All deferred income relates to income received in advance of venue hire dates.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loan (see note 21)	<u>22,500</u>	<u>32,500</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loan	10,000	10,000
Other loan	939,000	800,000
	<u>949,000</u>	<u>810,000</u>
Amounts falling between one and two years:		
Bank loan - 1-2 years	<u>22,500</u>	<u>32,500</u>

The bank loan is interest bearing and was drawn under the Bounce Back Loan Scheme.

HAY CASTLE TRUST
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

21. LOANS - continued

The other loan is from Lindenleaf CIO under the terms of a funding agreement dated 16 July 2016, as subsequently amended. The loan is interest free and the Trust may repay the loan at any time.

Until 24 May 2027 the lender may:

- at its sole discretion, convert some or all of the loan into a donation;
- request repayment of some or all off the loan if alternative funding is received by the Trust.

The lender shall convert any part of the loan outstanding at 24 May 2027 into a donation.

22. MOVEMENT IN FUNDS

	At 1/5/22 £	Net movement in funds £	Transfers between funds £	At 30/4/23 £
Unrestricted funds				
General fund	(500,945)	(204,707)	(233,483)	(939,135)
Fixed asset fund	<u>9,963,854</u>	<u>(11,866)</u>	<u>479,002</u>	<u>10,430,990</u>
	9,462,909	(216,573)	245,519	9,491,855
Restricted funds				
National Lottery Heritage Fund	-	383,329	(245,519)	137,810
Education and Activity	6,724	-	-	6,724
Heritage Skills Training	8,501	(215)	-	8,286
National Lottery Community Fund	25,225	(25,225)	-	-
Hay Castle Retail start-up	2,434	(2,434)	-	-
Community Foundation Wales - Ashley				
Family Foundation	8,000	-	-	8,000
Welsh Historic Gardens Trust	-	950	-	950
Community Nature Recovery	-	129	-	129
	<u>50,884</u>	<u>356,534</u>	<u>(245,519)</u>	<u>161,899</u>
TOTAL FUNDS	<u>9,513,793</u>	<u>139,961</u>	<u>-</u>	<u>9,653,754</u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	191,336	(396,043)	(204,707)
Fixed asset fund	-	(11,866)	(11,866)
	191,336	(407,909)	(216,573)
Restricted funds			
National Lottery Heritage Fund	383,329	-	383,329
Heritage Skills Training	-	(215)	(215)
Welsh Government - LEADER Programme	2,000	(2,000)	-
National Lottery Community Fund	-	(25,225)	(25,225)
Hay Castle Retail start-up	-	(2,434)	(2,434)
Purchase of equipment	1,857	(1,857)	-
National Portrait Gallery - Creative Intern	5,812	(5,812)	-
Portraits of Writers exhibition	25,200	(25,200)	-
The Wild Escape	2,912	(2,912)	-
Welsh Historic Gardens Trust	1,010	(60)	950
Community Nature Recovery	490	(361)	129
GEM Cymru micro grant	1,305	(1,305)	-
Museum conference	478	(478)	-
	424,393	(67,859)	356,534
TOTAL FUNDS	615,729	(475,768)	139,961

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/5/21 £	Net movement in funds £	Transfers between funds £	At 30/4/22 £
Unrestricted funds				
General fund	(569,090)	166,169	(98,024)	(500,945)
Fixed asset fund	<u>8,712,144</u>	-	<u>1,251,710</u>	<u>9,963,854</u>
	8,143,054	166,169	1,153,686	9,462,909
Restricted funds				
National Lottery Heritage Fund	-	818,302	(818,302)	-
Regeneration of Hay Castle	108,240	150,000	(258,240)	-
Education and Activity	9,909	(3,185)	-	6,724
Heritage Skills Training	32,435	-	(23,934)	8,501
Powys War Memorials Project	2,570	(2,570)	-	-
Esmee Fairbairn Foundation	32,745	-	(32,745)	-
Rural Communities Development Fund	1,000	-	(1,000)	-
National Lottery Community Fund	25,225	-	-	25,225
Hay Castle Retail start-up	2,434	-	-	2,434
Community Foundation Wales - Ashley Family Foundation	8,000	-	-	8,000
Medieval Costumes community project	1,180	(1,180)	-	-
Development of steps linking Castle and town	4,465	-	(4,465)	-
Clore Cultural Learning space	<u>15,000</u>	-	<u>(15,000)</u>	-
	<u>243,203</u>	<u>961,367</u>	<u>(1,153,686)</u>	<u>50,884</u>
TOTAL FUNDS	<u><u>8,386,257</u></u>	<u><u>1,127,536</u></u>	<u><u>-</u></u>	<u><u>9,513,793</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	269,272	(103,103)	166,169
Restricted funds			
National Lottery Heritage Fund	863,859	(45,557)	818,302
Regeneration of Hay Castle	150,000	-	150,000
Education and Activity	-	(3,185)	(3,185)
Powys War Memorials Project	-	(2,570)	(2,570)
Welsh Government - LEADER Programme	6,194	(6,194)	-
Medieval Costumes community project	-	(1,180)	(1,180)
	<u>1,020,053</u>	<u>(58,686)</u>	<u>961,367</u>
TOTAL FUNDS	<u><u>1,289,325</u></u>	<u><u>(161,789)</u></u>	<u><u>1,127,536</u></u>

Designated fixed asset fund

The fixed asset fund represents the net book value of tangible fixed assets including heritage assets.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

22. MOVEMENT IN FUNDS - continued

National Lottery Heritage Fund

Grant funding received from the National Lottery Heritage Fund, for further development phases of Hay Castle.

Education and Activity

A £10,000 grant was received from The Hobson Charity to support the education and activity programme at Hay Castle. The balance will be used to support future activities.

Heritage Skills Training

Funding of £20,000 was received from The Dulverton Trust, and £25,675 was received from the Andrew Lloyd Webber Foundation which is to be used to establish a heritage skill training programme. In previous years, funding was also received from The D'Oyly Carte Charitable Trust and Santander. The balance will be used to support future activities.

National Lottery Community Fund

Notification of a grant was received on 27 July 2017 from the National Lottery funded Rural programme - Community Grants for the Hay Castle Community Hub. The purpose of the funding is to reduce isolation for community members and improve the skills of residents and visitors in Hay-on-Wye.

Hay Castle Retail start-up

Funding of £11,000 was received from the Brecon Beacons National Park Sustainable Development Fund to support the renovation cost for 5 retail start-up units at Hay Castle.

Community Foundation Wales - Ashley Family Foundation

Funding of £8,000 received towards artistic production/materials, marketing and publicity, artist fees, artist travel costs and expenses, art transport, insurance and installation, project management and evaluation. The balance will be used to support future activities.

LEADER Programme

Notification of a grant was received initially on 16 June 2017 from the Welsh Government Rural Communities - The LEADER Programme in Powys for a Hay Castle Digital Project. This year, a final tranche of funding of £2,000 was received.

Purchase of equipment

Funding of £1,857 was received from The Darkly Trust towards equipment costs.

National Portrait Gallery - Creative Intern

Funding was received from the National Portrait Gallery specifically to cover the salary and on-costs of an Intern placement at Hay Castle.

Portraits of Writers exhibition

A grant of £25,200 was received from Arts Council England to support the first exhibition in the gallery at the Castle entitled "Portraits of Writers".

The Wild Escape

Funding was received from the Federation of Museums and Art Galleries of Wales for The Wild Escape, a project led by Art Fund and made possible with support from Arts Council England's National Lottery Project grants.

Welsh Historic Gardens Trust

The funding is for improvements to the gardens which are in progress.

Community Nature Recovery grant

Funding received from the Brecon Beacons National Park Authority, under the Communities Nature Recovery Grants Scheme towards a wildflower project which is in progress.

**HAY CASTLE TRUST
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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

22. MOVEMENT IN FUNDS - continued

GEM Cymru micro grant

Funded by Welsh Government, the objective of the grant is to encourage innovative thinking, practice and evaluation of new resources and curriculum for Wales specific activities for museums to deliver to schools.

Museum conference

Funding was received from the Federation of Museums and Art Galleries of Wales towards a museum conference.

Comparative year only

Regeneration of Hay Castle

The opening balance on the fund consisted of Visit Wales funding towards the costs of 'The Regeneration of the Hay Castle' project. During the year a further £150,000 was received from Welsh Government towards the costs of 'The Regeneration of the Hay Castle' project. The fund was fully spent during financial year 2022.

Powys War Memorials Project

Grant funding of £2,570 was received during the 2020 financial year from Powys County Council which was to be used towards the costs of the repair and restoration of the war memorial. Works were carried out on this project during the Summer of 2021.

Esmee Fairbairn Foundation

An annual grant of £53,333 was awarded for 3 years starting from 1 May 2018 in respect of supporting the cost of the director post.

Rural Communities Development Fund

Notification of a £92,000 grant was received on 25 July 2017 towards the cost of the commercial training kitchen, workshop and education space, hardware purchase and software development.

Medieval Costumes community project

Funding was received from The Ashley Family Foundation towards a medieval costume community project.

Development of steps linking Castle and town

Funding was received from Powys County Council, under the Community Development Fund, for the development of the steps linking the Castle and the town.

Clore Cultural Learning Space

Funding of £15,000 was received from The Clore Duffield Foundation in support of learning and community work.

Transfers between funds

A transfer of £245,519 was made from the National Lottery Heritage Fund to the general fund in respect of the funding spent on the capital project.

In addition, a transfer of £479,002 was made from the general fund to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

23. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £3,728 (2022 - £1,956).

Contributions totalling £877 (2022 - £597) were payable to the scheme at the year end and are included in creditors.

24. CONTINGENT LIABILITIES

In line with the terms of the grant, prior approval from the National Lottery Heritage Fund is required should the property be sold and the National Lottery Heritage Fund may require a share of the net proceeds. It is not the intention of the trustees to sell the property.

25. RELATED PARTY DISCLOSURES

The total key management personnel remuneration benefits paid during the year was £57,200 (2022: £64,991).

During the year the charity received interest free loans totalling £139,000 (2022 - £150,000) from Lindenleaf CIO, a charity with a number of trustees in common until October 2022. At 30 April 2023 the loan balance of £939,000 (2022 - £800,000) is disclosed within creditors: amounts falling due within one year.