

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

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2019
FOR
HAY CASTLE TRUST LIMITED



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

HAY CASTLE TRUST LIMITED

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FOR THE YEAR ENDED 30 APRIL 2019**

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HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2019

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 30 April 2019. 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

The charity's object is to preserve the heritage and assure the future of Hay Castle in Hay-on-Wye. As befits a building which has enjoyed more than 800 years of continuous occupancy, the charity aims to encourage community and visitor involvement in an active, living amenity.

Strategies for achieving these objectives and aims include:-

- completion of the restoration of Hay Castle, and stewardship of its adjoining building and surrounding land;
- promoting education on the architecture of the building and local history;
- provision of a venue for cultural enrichment through the arts;
- generating training opportunities in relevant local skills;
- and providing a forum for community benefit and enjoyment.

Success in meeting these aims is currently measured in terms of: progress made in completing, in a timely and cost effective way, the National Lottery Heritage Fund Delivery Phase project; securing additional funding to meet the Trust's revised £1.81 million own match-funding requirement; ensuring the full regeneration of Hay Castle is achieved; the continued provision of events, tours, concerts, performances (to the extent permitted by the restoration project); promoting community consultation involvement, support and engagement.

The Trust's activities and the non-cash portion of its match-funding contribution depend on a significant input of volunteer time. This occurs at the level of the trustees, Hay Castle volunteers, and informal commitments by individuals. Over 800 hours were logged in the year ending 30 April 2019.

In the medium term, the Trust is anticipating the successful completion of the restoration project in 2020, and is now planning for the resources and skill sets necessary to deliver the elements of its Business Plan which was approved as part of its National Lottery Heritage Fund grant. Three additional trustees with the experience to plan and manage the Trust's activities in the post-construction period were appointed during this period.

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 charity's aims and objectives and in planning future activities for the year.

ACHIEVEMENT AND PERFORMANCE

The Board of Trustees, together with a group of active committee members, reflect a range of complementary skills and experience in executing and funding large public and community-centred projects. The Managing Director leads the efforts to develop the project, raise funds, manage the property, ensure compliance in all governance matters, ensure financial oversight, maintain sound environmental practices, and continue to raise the profile of the project through communications with the community and local and national media.

During 2018-2019 the Trust made further progress towards its goals, most notably with the commencement of construction work in June 2018. Following the previous years value engineering exercises, strenuous efforts were made to mitigate the cost of the project which is necessarily challenging given the ancient and complex nature of the building.

Also during this period, interpretation design progressed; applications for statutory permissions and conditional discharges continued. Importantly the rare medieval gates were carefully removed to undergo vital conservation; and archaeological investigation was ongoing.

In terms of local support, the Keepers of the Castle donor campaign raised an additional £70,000 of support for the project. The Friends of Hay Castle remains a robust and active group of supporters; and volunteers continued to help with planning, gardening and the Honesty Bookshop. Apprenticeships and training have been undertaken in the areas of carpentry, roofing, pointing and drainage works, and in-school lessons in digital production were taught based on the history of Hay Castle.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2019

FINANCIAL REVIEW

The attached financial statements reflect the transactions and position of the Trust for the year to 30 April 2019.

The Statement of Financial Activities shows net income for the year of £1,502,583 (2018 - £309,712). In accordance with accounting policies all grant income (including capital grants) has been recognised in Statement of Financial Activities.

Principal funders

The Trust continued to receive support from the National Lottery Heritage Fund throughout the year. Grants were also recognised from the Rural Communities Development Fund, Esmee Fairbairn Foundation and the Communities Facilities Programme.

Reserves

The total funds of 5,486,281 (2018 - £3,983,698) include £694,429 (2018 - £862,708) which is held for restricted purposes. After excluding the net book value of tangible fixed assets which have been included within a designated fund, the charity had no free reserves at 31 March 2019 (2018 - £53,969).

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level of approximately £65,000. The trustees consider that this will ensure that if in the event of a significant interruption to anticipated funding, they will be able to maintain the Trust's current activities while consideration is given to ways in which additional funds may be raised.

The Trust is currently trying to build reserves in excess of this level in order to contribute its own funds to the regeneration project.

FUTURE PLANS

The immediate future plans of the Trust are focussed on completing the restoration of Hay Castle and with continued efforts on fundraising to ensure this is achieved.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was incorporated on 18 May 2011 and is limited by guarantee. Charitable status was granted on 3 November 2011. 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

The day-to-day administration of the charity is carried out by the trustees. None of the trustees have any beneficial interest in the charity. All the trustees are members of the charity and guarantee to contribute a sum not exceeding £10 in the event of a winding up.

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 Board of Trustees having regard to market rates.

Risk management

We confirm the major risks have been reviewed and systems or procedures have been established to manage those risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07639471 (England and Wales)

Registered Charity number

1144524

Registered office

Hay Castle
Oxford Road
HAY-ON-WYE
Herefordshire
HR3 5DG

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

J T Albert

L Cooke

P Greatbatch

E Haycox

R L Hughes

E Fox

S Malthouse

M Corr

Consultant

Solicitor

Architect

- appointed 1/7/2018

- appointed 1/7/2018

- appointed 1/7/2018

- resigned 24/5/2019

Senior management

N L Albert - Managing Director

Auditors

Watts Gregory LLP

Chartered Accountants & Statutory Auditors

Elfed House

Oak Tree Court

Cardiff Gate Business Park

CARDIFF

County of Cardiff

CF23 8RS

Bankers

Barclays

Broad Street

HAY-ON-WYE

Hereford

HR3 5DD

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Hay Castle Trust Limited 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, Watts Gregory LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2019

Approved by order of the Board of Trustees19.10.2019..... and signed on its behalf by:


.....
E Haycox - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST LIMITED

Opinion

We have audited the financial statements of Hay Castle Trust Limited (the 'charitable company') for the year ended 30 April 2019 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 30 April 2019 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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, 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 there is 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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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 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 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST LIMITED

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

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 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 FCCA (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

30 October 2019

HAY CASTLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 APRIL 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	12,973	305,333	318,306	193,347
Charitable activities	6				
Preservation of the heritage of Hay Castle		-	1,174,803	1,174,803	126,417
Other trading activities	4	89,326	-	89,326	75,610
Investment income	5	<u>741</u>	<u>-</u>	<u>741</u>	<u>332</u>
Total		103,040	1,480,136	1,583,176	395,706
EXPENDITURE ON					
Raising funds	7	22,132	-	22,132	21,885
Charitable activities	8				
Preservation of the heritage of Hay Castle		<u>24,299</u>	<u>34,162</u>	<u>58,461</u>	<u>64,109</u>
Total		46,431	34,162	80,593	85,994
NET INCOME					
		56,609	1,445,974	1,502,583	309,712
Transfers between funds	18	<u>1,614,253</u>	<u>(1,614,253)</u>	-	-
Net movement in funds		1,670,862	(168,279)	1,502,583	309,712
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>3,120,990</u>	<u>862,708</u>	<u>3,983,698</u>	<u>3,673,986</u>
TOTAL FUNDS CARRIED FORWARD		<u>4,791,852</u>	<u>694,429</u>	<u>5,486,281</u>	<u>3,983,698</u>

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

BALANCE SHEET
AT 30 APRIL 2019

	Notes	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	15	4,815,893	-	4,815,893	3,067,021
CURRENT ASSETS					
Debtors	16	55,126	663,901	719,027	524,794
Cash at bank and in hand		<u>(9,773)</u>	<u>210,433</u>	<u>200,660</u>	<u>474,065</u>
		45,353	874,334	919,687	998,859
CREDITORS					
Amounts falling due within one year	17	(69,394)	(179,905)	(249,299)	(82,182)
NET CURRENT ASSETS/(LIABILITIES)		<u>(24,041)</u>	<u>694,429</u>	<u>670,388</u>	<u>916,677</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,791,852</u>	<u>694,429</u>	<u>5,486,281</u>	<u>3,983,698</u>
NET ASSETS		<u>4,791,852</u>	<u>694,429</u>	<u>5,486,281</u>	<u>3,983,698</u>
FUNDS					
Unrestricted funds	18			4,791,852	3,120,990
Restricted funds				<u>694,429</u>	<u>862,708</u>
TOTAL FUNDS				<u>5,486,281</u>	<u>3,983,698</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 authorised and approved for issue by the Board of Trustees on 19.10.2019 and were signed on its behalf by:


E Haycox -Trustee

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>1,475,348</u>	<u>286,431</u>
Net cash provided by (used in) operating activities		<u>1,475,348</u>	<u>286,431</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,749,494)	(141,653)
Interest received		<u>741</u>	<u>332</u>
Net cash provided by (used in) investing activities		<u>(1,748,753)</u>	<u>(141,321)</u>
Change in cash and cash equivalents in the reporting period		(273,405)	145,110
Cash and cash equivalents at the beginning of the reporting period		<u>474,065</u>	<u>328,955</u>
Cash and cash equivalents at the end of the reporting period		<u>200,660</u>	<u>474,065</u>

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2019

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

	2019	2018
	£	£
Net income for the reporting period (as per the statement of financial activities)	1,502,583	309,712
Adjustments for:		
Depreciation charges	622	703
Interest received	(741)	(332)
(Increase)/decrease in debtors	(194,233)	15,143
Increase/(decrease) in creditors	<u>167,117</u>	<u>(38,795)</u>
Net cash provided by (used in) operating activities	<u><u>1,475,348</u></u>	<u><u>286,431</u></u>

1. STATUTORY INFORMATION

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

The charity is a company limited by guarantee and consequently does not have any share capital. Each of the members is liable to contribute an amount not exceeding £ 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 charity's operations is to preserve the heritage of Hay Castle in Hay-on-Wye and to advance education on the architecture of the building, local history, and the arts by the purchase of the building and its surrounding land.

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 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.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

Hay Castle Trust Limited meets the definition of a public benefit entity under FRS 102.

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

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 from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. 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.

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.

Investment income is recognised on a receivable basis.

It is not the policy of the charity to show income net of expenditure.

2. ACCOUNTING POLICIES - continued

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 includes costs 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 strategic 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% straight line
Computer equipment	33% straight line

Freehold land and buildings are held at cost and not depreciated, whilst being restored.

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

Taxation

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

2. ACCOUNTING POLICIES - continued

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.

3. DONATIONS AND LEGACIES

	2019 £	2018 £
Donations	2,597	4,190
Gift aid tax reclaimed	6,916	14,238
Grants	305,333	172,104
Subscriptions	<u>3,460</u>	<u>2,815</u>
	<u>318,306</u>	<u>193,347</u>

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

	2019 £	2018 £
Powys War Memorial Project	-	5,000
The Waterloo Foundation	-	5,000
Clore Duffield Foundation	-	150,000
Santander	-	4,800
Aurelius Charitable Foundation	-	3,500
Welsh Government - Rural Community Development Fund	92,000	-
Esme Fairbairn Foundation	53,333	-
Welsh Government - Communities Facilities Programme	150,000	-
Other grants	<u>10,000</u>	<u>3,804</u>
	<u>305,333</u>	<u>172,104</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2019

4. OTHER TRADING ACTIVITIES

	2019	2018
	£	£
Honesty bookshop sales	2,980	3,476
Keepers of the Castle fundraising	70,000	55,000
Card and other shop sales	16	92
Rental income	7,916	8,083
Events income	8,259	8,626
Other income	<u>155</u>	<u>333</u>
	<u>89,326</u>	<u>75,610</u>

5. INVESTMENT INCOME

	2019	2018
	£	£
Deposit account interest	<u>741</u>	<u>332</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£	£
Grants	<u>1,174,803</u>	<u>126,417</u>

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

	2019	2018
	£	£
National Lottery Heritage Fund grant	<u>1,174,803</u>	<u>126,417</u>

7. RAISING FUNDS

Raising donations and legacies

	2019	2018
	£	£
Consultancy fees	<u>15,026</u>	<u>15,191</u>

Other trading activities

	2019	2018
	£	£
Cost of functions and events	6,484	5,991
Depreciation	<u>622</u>	<u>703</u>
	<u>7,106</u>	<u>6,694</u>

Aggregate amounts	<u>22,132</u>	<u>21,885</u>
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8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
Preservation of the heritage of Hay Castle	<u>29,890</u>	<u>28,571</u>	<u>58,461</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Establishment costs	18,078	15,186
Postage and stationery	1,068	1,950
Advertising and promotions	4,682	991
Repairs and maintenance	4,651	8,335
Travel	200	372
Office expenses	755	642
Website costs	125	145
Bank charges	<u>331</u>	<u>357</u>
	<u>29,890</u>	<u>27,978</u>

10. SUPPORT COSTS

	Staff costs £	Other £	Governance costs £	Totals £
Preservation of the heritage of Hay Castle	<u>5,489</u>	<u>11,398</u>	<u>11,684</u>	<u>28,571</u>

11. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Depreciation - owned assets	622	703
Auditors' remuneration	<u>4,200</u>	<u>1,775</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 April 2019 or for the year ended 30 April 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 April 2019 or for the year ended 30 April 2018.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2019

13. STAFF COSTS

	2019 £	2018 £
Wages and salaries	51,892	52,116
Social security costs	<u>2,999</u>	<u>3,035</u>
	<u>54,891</u>	<u>55,151</u>

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

	2019	2018
Employees	<u>1</u>	<u>1</u>

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	2018 Unrestricted funds £	2018 Restricted funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	25,047	168,300	193,347
Charitable activities			
Preservation of the heritage of Hay Castle	-	126,417	126,417
Other trading activities	75,610	-	75,610
Investment income	<u>332</u>	<u>-</u>	<u>332</u>
Total	100,989	294,717	395,706
EXPENDITURE ON			
Raising funds	11,921	9,964	21,885
Charitable activities			
Preservation of the heritage of Hay Castle	<u>41,825</u>	<u>22,284</u>	<u>64,109</u>
Total	53,746	32,248	85,994
NET INCOME	47,243	262,469	309,712
Transfers between funds	<u>100,164</u>	<u>(100,164)</u>	<u>-</u>
Net movement in funds	147,407	162,305	309,712
RECONCILIATION OF FUNDS			
Total funds brought forward	2,973,583	700,403	3,673,986
TOTAL FUNDS CARRIED FORWARD	<u>3,120,990</u>	<u>862,708</u>	<u>3,983,698</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2019

15. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2018	3,064,324	9,486	6,222	1,424	3,081,456
Additions	<u>1,749,494</u>	-	-	-	<u>1,749,494</u>
At 30 April 2019	<u>4,813,818</u>	<u>9,486</u>	<u>6,222</u>	<u>1,424</u>	<u>4,830,950</u>
DEPRECIATION					
At 1 May 2018	-	9,486	3,525	1,424	14,435
Charge for year	-	-	<u>622</u>	-	<u>622</u>
At 30 April 2019	-	<u>9,486</u>	<u>4,147</u>	<u>1,424</u>	<u>15,057</u>
NET BOOK VALUE					
At 30 April 2019	<u>4,813,818</u>	<u>-</u>	<u>2,075</u>	<u>-</u>	<u>4,815,893</u>
At 30 April 2018	<u>3,064,324</u>	<u>-</u>	<u>2,697</u>	<u>-</u>	<u>3,067,021</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	40	5,800
Other debtors	672,807	513,551
VAT	37,980	5,443
Prepayments and accrued income	<u>8,200</u>	<u>-</u>
	<u>719,027</u>	<u>524,794</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	238,695	26,274
Social security and other taxes	1,104	-
Other creditors	800	800
Accruals and deferred income	<u>8,700</u>	<u>55,108</u>
	<u>249,299</u>	<u>82,182</u>

Included within accruals and deferred income, is the following grant income which has been deferred as a result of the income being received in advance of its performance conditions.

Deferred income brought forward	£ 53,333
Amounts released	(53,333)
Amounts deferred in the year	<u>-</u>
Deferred income carried forward	<u>-</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2019

18. MOVEMENT IN FUNDS

	At 1/5/18 £	Net movement in funds £	Transfers between funds £	At 30/4/19 £
Unrestricted funds				
General fund	53,969	56,609	(134,619)	(24,041)
Fixed asset fund	<u>3,067,021</u>	-	<u>1,748,872</u>	<u>4,815,893</u>
	3,120,990	56,609	1,614,253	4,791,852
Restricted funds				
Medieval Gate fund	31,330	-	(31,330)	-
The National Lottery Heritage Fund	-	1,144,940	(1,144,940)	-
The Headley Trust fund	46,000	-	(46,000)	-
Regeneration of Hay Castle fund	360,000	(154)	(239,846)	120,000
Ernest Cook Trust fund	2,846	(2,367)	-	479
Country Houses Foundation fund	100,000	-	(30,000)	70,000
The Wolfson Foundation fund	96,000	-	-	96,000
The Leche Trust fund	2,500	-	-	2,500
Reading Room fund	6,000	-	(6,000)	-
Education and Activity fund	9,909	-	-	9,909
Heritage Skills Training fund	53,123	-	-	53,123
Powys War Memorial fund	5,000	-	-	5,000
The Clore Learning Space fund	150,000	150,000	(13,139)	286,861
Esmee Fairbairn Foundation fund	-	51,555	(15,998)	35,557
Rural Community Development fund	-	92,000	(87,000)	5,000
The Sackler Trust	-	<u>10,000</u>	-	<u>10,000</u>
	862,708	1,445,974	(1,614,253)	694,429
TOTAL FUNDS	<u>3,983,698</u>	<u>1,502,583</u>	-	<u>5,486,281</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	103,040	(46,431)	56,609
Restricted funds			
The National Lottery Heritage Fund	1,174,803	(29,863)	1,144,940
Regeneration of Hay Castle fund	-	(154)	(154)
The Clore Learning Space fund	150,000	-	150,000
Esmee Fairbairn Foundation fund	53,333	(1,778)	51,555
Rural Community Development fund	92,000	-	92,000
The Sackler Trust	10,000	-	10,000
Ernest Cook Trust fund	-	(2,367)	(2,367)
	1,480,136	(34,162)	1,445,974
TOTAL FUNDS	<u>1,583,176</u>	<u>(80,593)</u>	<u>1,502,583</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2019

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/5/17 £	Net movement in funds £	Transfers between funds £	At 30/4/18 £
Unrestricted Funds				
General fund	47,512	47,243	(40,786)	53,969
Fixed asset fund	<u>2,926,071</u>	-	<u>140,950</u>	<u>3,067,021</u>
	2,973,583	47,243	100,164	3,120,990
Restricted Funds				
Medieval Gate fund	27,830	3,500	-	31,330
The National Lottery Heritage Fund	-	96,164	(96,164)	-
The Headley Trust fund	50,000	-	(4,000)	46,000
Regeneration of Hay Castle fund	355,000	5,000	-	360,000
Ernest Cook Trust fund	4,398	(1,552)	-	2,846
Country Houses Foundation fund	100,000	-	-	100,000
The Wolfson Foundation fund	96,000	-	-	96,000
The Leche Trust fund	2,500	-	-	2,500
Reading Room fund	6,000	-	-	6,000
Education and Activity fund	10,000	(91)	-	9,909
Heritage Skills Training fund	48,675	4,448	-	53,123
Powys War Memorial fund	-	5,000	-	5,000
The Clore Learning Space fund	-	<u>150,000</u>	-	<u>150,000</u>
	700,403	262,469	(100,164)	862,708
TOTAL FUNDS	<u>3,673,986</u>	<u>309,712</u>	-	<u>3,983,698</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	100,989	(53,746)	47,243
Restricted funds			
Medieval Gate fund	3,500	-	3,500
The National Lottery Heritage Fund	126,417	(30,253)	96,164
Regeneration of Hay Castle fund	5,000	-	5,000
Education and Activity fund	-	(91)	(91)
Heritage Skills Training fund	4,800	(352)	4,448
Powys War Memorial fund	5,000	-	5,000
The Clore Learning Space fund	150,000	-	150,000
Ernest Cook Trust fund	-	(1,552)	(1,552)
	294,717	(32,248)	262,469
TOTAL FUNDS	<u>395,706</u>	<u>(85,994)</u>	<u>309,712</u>

18. MOVEMENT IN FUNDS - continued

Designated fixed asset fund

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

Medieval gate fund

The fund consisted of £25,000 received from The Pilgrim Trust towards the cost of conserving the medieval gate, as well as £3,500 from the Aurelius Charitable Trust and donations received in 2014 from the Great Gate appeal. The fund was fully spent during the year.

The National Lottery Heritage fund

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

The Headley Trust fund

Grant funding received from the Headley Trust towards the restoration of the Hay Castle and the creation of a visitor and arts centre.

Regeneration of Hay Castle fund

The fund consisted of £200,000 received from the Garfield Weston Foundation, £35,000 received from the Sylvia Waddilove Foundation, £120,000 received from Visit Wales and £5,000 from the Waterloo Foundation towards the costs of "The Regeneration of the Hay Castle" project. All funds have been fully spent during the year except for the Visit Wales grant.

Ernest Cook Trust fund

Grant funding of £10,000 was received during the previous year from the Ernest Cook Trust towards the cost of a heritage learning officer post and activities plan.

Country Houses Foundation fund

Notification of a £100,000 grant was received in May 2016 from the trustees of the Country Houses Foundation for the replacement of the roof on the Jacobean section of Hay Castle.

The Wolfson Foundation fund

Notification of a £96,000 grant was received on 16 December 2016 from the trustees of The Wolfson Foundation towards the cost of a new sculpture gallery.

The Leche Trust fund

Grant funding received from The Leche Trust which is to be used towards the costs of window repairs at Hay Castle.

Reading Room fund

This fund included £5,000 received from The Rothschild Foundation and a £1,000 grant received from Oakdale Trust towards the cost of a new reading room at Hay Castle. The fund was fully spent during the year.

Education and Activity fund

A £10,000 grant was received from The Hobson Charity to support the education and activity programme at Hay Castle.

Heritage skills training fund

Funding of £20,000 was received from The Dulverton Trust, a £25,675 grant from the Andrew Lloyd Webber Foundation and a £3,000 grant from The D'Oyly Carte Charitable Trust which is to be used to establish a heritage skill training programme.

Powys War Memorial fund

Grant funding of £5,000 received during the previous year from Powys County Council which is to be used towards the costs of the repair and restoration of the war memorial.

The Clore Learning Space fund

Notification of a £150,000 grant was received on 6 December 2017 from the Clore Duffield Foundation towards the cost of the learning space project. This was followed by a further notification of £150,000 from the Communities Facilities Programme on 21 January 2019.

Esmee Fairbairn Foundation fund

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

18. MOVEMENT IN FUNDS - continued

Rural Community 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.

The Sackler Trust fund

Grant funding of £10,000 was received during the year from The Sackler Trust to support the creation of a gallery of high conservation and environmental standards that will enable works of national importance to be borrowed from galleries and museums, opening up art and heritage to new audiences in the rural borderlands.

Transfers between funds

Transfers totalling £134,619 have been made from the general fund to a number of restricted funds in the year in respect of the assets purchased, where the purchase of assets results in the restriction being met.

In addition a transfer of £1,748,872 was made to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

19. CONTINGENT LIABILITIES

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

20. RELATED PARTY DISCLOSURES

At 30 April 2019, the charity accrued a donation of £nil from Mr P Greatbatch (2018: 5,000) which was outstanding at the year end.

During the year Mrs N L Albert received remuneration of £54,891 (2018: £55,151). Mrs Albert is the spouse of Mr J Albert, a trustee of the charity. Mrs N L Albert is considered to be the only member of key management personnel.

21. FINANCIAL INSTRUMENTS

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>865,341</u>	<u>978,737</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>248,195</u>	<u>28,849</u>

Financial assets measured at amortised cost comprise of cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.