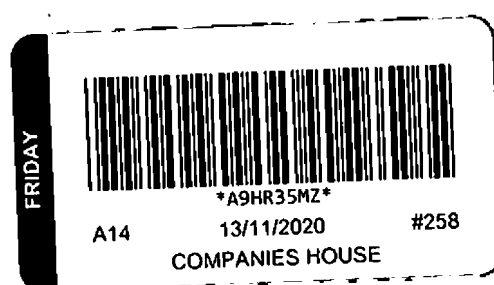


REGISTERED COMPANY NUMBER: 07639471 (England and Wales)
REGISTERED CHARITY NUMBER: 1144524

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 APRIL 2020
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

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

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HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2020

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 2020. 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 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 includes:-

- 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 own match-funding requirement; ensuring the full regeneration of Hay Castle is achieved.

The Covid-related lockdown and the fact that the Castle is now a "hard-hat" area during the construction period necessarily reduced the possibilities for on-site volunteering activity during the year. However, the Trust benefitted from a substantial commitment of time from Trustees and others in furthering its operation during the renovation period; in seeking to raise further outside funding; and in planning for its activities and financial viability during the post-opening phase.

In the medium term, the Trust is anticipating the successful completion of the restoration project in 2021, and is now planning for the resources and skill sets necessary to deliver the elements of the Business Plan which was approved as part of its National Lottery Heritage Fund grant.

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 active committee members, reflect a range of 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 2019 - 2020 the Trust made progress towards its goals, most notably with the continuation of the National Lottery Heritage Fund Delivery Phase project to restore Hay Castle. Construction work encountered significant delays in May-June 2019 due to conservation issues and in April 2020 due to Covid-19. As a result of these and other delays, the projected completion date was pushed into 2021 with commensurate cost increases.

Fundraising activities comprised grant applications and invitations for individual donations. During the period, grants from Ashley Family Foundation (£8,000), Garfield Weston Foundation (£50,000) and Esmée Fairbairn Foundation (£26,667) were received.

Also, during this period, interpretation design progressed; applications for statutory permissions and conditional discharges continued; and archaeological investigation on site unearthed press-worthy medieval artefacts.

The Friends of Hay Castle remains a dedicated group of supporters; Keepers of the Castle expanded its ranks with new members contributing £5,000; and volunteers continued to help with gardening, historical research and the Honesty Bookshop. Apprenticeships and training have been undertaken in the areas of joinery and stonemasonry, and an in-school programme continued with workshops in stop-motion animation and local history.

Trustee recruitment began in early 2020 but was suspended during the Covid-19 crisis.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2020

FINANCIAL REVIEW

The attached financial statements reflect the transactions and position of the Trust for the year to 30 April 2020. The Statement of Financial Activities shows net income for the year of £1,454,040 (2019 - £1,502,583). In accordance with accounting policies all grant income (including capital grants) has been recognised in Statement of Financial Activities.

While the Trust made progress towards its goals to restore Hay Castle, the delays caused by the Covid-19 pandemic and other factors have resulted in the projected completion date being pushed into 2021 with commensurate cost increases.

In order to assess the going concern of the Trust, significant work to update the business plan and a scenario planning exercise has been undertaken and as a result there is continued focus on fundraising to secure the additional funds required to complete the project and ensure its financial viability once operational.

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, Esmée Fairbairn Foundation and the Communities Facilities Programme.

Reserves

The total funds of £6,940,321 includes £261,319 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 30 April 2020 (2019 - £Nil).

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, which has been further delayed by the Covid-19 Pandemic, and with continued efforts on fundraising to ensure this is achieved. In addition, the Trust is anticipating changes in operations and the visitor experience when the site is open in 2021 as a result of Covid-19. Accordingly, business plans have been prepared to account for possible scenarios, and potential remedial actions highlighted. The Trust recently engaged with a specialist business consultant to review and validate the Trust's scenario planning. The preliminary feedback from the Consultant was that the Trust's planning compared favourably with other similar organisations with which the Consultant had worked. Recommendations made by the Consultant will be factored into the scenario planning models (which will remain dynamic).

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.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2020

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

Trustees

J T Albert
L Cooke
P Greatbatch
E Haycox
R L Hughes
E O H Fox
S Malthouse
M Corr - resigned 24/05/19
C Fyles - appointed 02/06/20

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.

HAY CASTLE TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2020**

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.

Approved by order of the Board of Trustees 6.11.20 and signed on its behalf by:

..... *E Haycox*
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 2020 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 2020 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

Date: 11 November 2020

HAY CASTLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 APRIL 2020

| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|--|-------|-------------------------|-----------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 3 | 33,928 | 196,885 | 230,813 | 318,306 |
| Charitable activities | 6 | | | | |
| Preservation of the heritage of Hay Castle | | - | 1,306,481 | 1,306,481 | 1,174,803 |
| Other trading activities | 4 | 24,200 | - | 24,200 | 89,326 |
| Investment income | 5 | <u>432</u> | <u>-</u> | <u>432</u> | <u>741</u> |
| Total | | 58,560 | 1,503,366 | 1,561,926 | 1,583,176 |
| EXPENDITURE ON | | | | | |
| Raising funds | 7 | 27,793 | - | 27,793 | 22,132 |
| Charitable activities | 8 | | | | |
| Preservation of the heritage of Hay Castle | | <u>22,288</u> | <u>57,805</u> | <u>80,093</u> | <u>58,461</u> |
| Total | | 50,081 | 57,805 | 107,886 | 80,593 |
| NET INCOME | | 8,479 | 1,445,561 | 1,454,040 | 1,502,583 |
| Transfers between funds | 19 | <u>1,878,671</u> | <u>(1,878,671)</u> | - | - |
| Net movement in funds | | 1,887,150 | (433,110) | 1,454,040 | 1,502,583 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | <u>4,791,852</u> | <u>694,429</u> | <u>5,486,281</u> | <u>3,983,698</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u>6,679,002</u> | <u>261,319</u> | <u>6,940,321</u> | <u>5,486,281</u> |

The notes form part of these financial statements

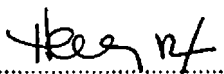
HAY CASTLE TRUST LIMITED

**BALANCE SHEET
AT 30 APRIL 2020**

| | Notes | Unrestricted funds £ | Restricted funds £ | 2020 Total funds £ | 2019 Total funds £ |
|--|-------|-------------------------|-----------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | 6,843,872 | - | 6,843,872 | 4,815,893 |
| Investments | 16 | <u>1</u> | <u>-</u> | <u>1</u> | <u>-</u> |
| | | 6,843,873 | - | 6,843,873 | 4,815,893 |
| CURRENT ASSETS | | | | | |
| Debtors | 17 | 46,724 | 263,196 | 309,920 | 719,027 |
| Cash at bank and in hand | | <u>4,674</u> | <u>198,459</u> | <u>203,133</u> | <u>200,660</u> |
| | | 51,398 | 461,655 | 513,053 | 919,687 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 18 | (216,269) | (200,336) | (416,605) | (249,299) |
| NET CURRENT ASSETS/(LIABILITIES) | | | | | |
| | | <u>(164,871)</u> | <u>261,319</u> | <u>96,448</u> | <u>670,388</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| | | <u>6,679,002</u> | <u>261,319</u> | <u>6,940,321</u> | <u>5,486,281</u> |
| NET ASSETS | | | | | |
| | | <u>6,679,002</u> | <u>261,319</u> | <u>6,940,321</u> | <u>5,486,281</u> |
| FUNDS | | | | | |
| Unrestricted funds | 19 | | | 6,679,002 | 4,791,852 |
| Restricted funds | | | | <u>261,319</u> | <u>694,429</u> |
| TOTAL FUNDS | | | | | |
| | | | | <u>6,940,321</u> | <u>5,486,281</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 6.11.20 and were signed on its behalf by:


.....
E Haycox -Trustee

HAY CASTLE TRUST LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2020**

| | Notes | 2020 £ | 2019 £ |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities: | | | |
| Cash generated from operations | 1 | <u>1,830,643</u> | <u>1,475,348</u> |
| Net cash provided by (used in) operating activities | | <u>1,830,643</u> | <u>1,475,348</u> |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (2,028,601) | (1,749,494) |
| Purchase of fixed asset investments | | (1) | - |
| Interest received | | <u>432</u> | <u>741</u> |
| Net cash provided by (used in) investing activities | | <u>(2,028,170)</u> | <u>(1,748,753)</u> |
| Cash flows from financing activities: | | | |
| New loans in year | | <u>200,000</u> | - |
| Net cash provided by (used in) financing activities | | <u>200,000</u> | - |
| Change in cash and cash equivalents in the reporting period | | 2,473 | (273,405) |
| Cash and cash equivalents at the beginning of the reporting period | | <u>200,660</u> | <u>474,065</u> |
| Cash and cash equivalents at the end of the reporting period | | <u>203,133</u> | <u>200,660</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 2020

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

| | 2020 £ | 2019 £ |
|--|------------------|------------------|
| Net income for the reporting period (as per the statement of financial activities) | 1,454,040 | 1,502,583 |
| Adjustments for: | | |
| Depreciation charges | 622 | 622 |
| Interest received | (432) | (741) |
| Decrease/(increase) in debtors | 409,107 | (194,233) |
| (Decrease)/increase in creditors | <u>(32,694)</u> | <u>167,117</u> |
| Net cash provided by (used in) operating activities | <u>1,830,643</u> | <u>1,475,348</u> |

2. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1/5/19 £ | Cash flow £ | At 30/4/20 £ |
|--------------------------|-------------------|-------------------|-------------------|
| Net cash | | | |
| Cash at bank and in hand | 200,660 | 2,473 | 203,133 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total | <u>200,660</u> | <u>2,473</u> | <u>203,133</u> |

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

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 £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 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 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 policy note(s).

Going concern

As outlined in the Report of the Trustees, the immediate plans of the Trust have been delayed by the Covid-19 pandemic resulting in the projected completion date of the project to restore Hay Castle being pushed into 2021 with commensurate cost increases.

The Trust has undertaken significant work to update the business plan and carried out a scenario planning exercise and as a result is continuing to focus on fundraising to secure the additional funds required to complete the project, whilst also planning for the anticipated changes in operations and the visitor experience when the site opens, as result of likely restrictions due to Covid-19. The Trust is well placed to respond to the different scenarios identified and Managing Director and trustees continue to monitor the position closely.

One of the key liabilities of the Trust at 30 April 2020 is a working-capital loan from a Charitable Trust amounting to £200,000 to support Phase 2 of the restoration project. This loan is interest-free and represents a drawdown against a larger guarantee/loan facility. Five years after the completion of the renovation project, the lender will convert any outstanding part of the loan to a donation, but at its sole discretion may do so at an earlier date.

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

2. ACCOUNTING POLICIES - continued

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.

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 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.

2. ACCOUNTING POLICIES - continued

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.

Investments

Investments are stated at market value at the balance sheet date.

Taxation

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

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.

HAY CASTLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020**

3. DONATIONS AND LEGACIES

| | 2020 | 2019 |
|------------------------|----------------|----------------|
| | £ | £ |
| Donations | 1,631 | 2,597 |
| Gift aid tax reclaimed | 1,830 | 6,916 |
| Grants | 223,552 | 305,333 |
| Subscriptions | <u>3,800</u> | <u>3,460</u> |
| | <u>230,813</u> | <u>318,306</u> |

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

| | 2020 | 2019 |
|---|----------------|----------------|
| | £ | £ |
| The Headley Trust | 10,000 | - |
| Garfield Weston Foundation | 50,000 | - |
| Welsh Government - Rural Communities Development Fund | - | 92,000 |
| Esmée Fairbairn Foundation | 53,333 | 53,333 |
| Welsh Government - Community Facilities Programme | - | 150,000 |
| National Lottery Community Fund - Rural Programme | 31,420 | - |
| Welsh Government - LEADER Programme | 29,212 | - |
| Herefordshire Community Foundation | 600 | - |
| Powys County Council | 2,570 | - |
| Esmée Fairbairn Foundation - COVID support | 26,667 | - |
| Brecon Beacons National Park - Sustainable Development Fund | 11,000 | - |
| Community Foundation Wales – Ashley Family Foundation | 8,000 | - |
| Oakdale Trust | 750 | - |
| Other grants | <u>-</u> | <u>10,000</u> |
| | <u>223,552</u> | <u>305,333</u> |

4. OTHER TRADING ACTIVITIES

| | 2020 | 2019 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| Honesty bookshop sales | 2,878 | 2,980 |
| Keepers of the Castle fundraising | 5,000 | 70,000 |
| Card and other shop sales | - | 16 |
| Rental income | 7,333 | 7,916 |
| Events income | 8,819 | 8,259 |
| Other income | <u>170</u> | <u>155</u> |
| | <u>24,200</u> | <u>89,326</u> |

5. INVESTMENT INCOME

| | 2020 | 2019 |
|--------------------------|------------|------------|
| | £ | £ |
| Deposit account interest | <u>432</u> | <u>741</u> |

6. INCOME FROM CHARITABLE ACTIVITIES

| | 2020 | 2019 |
|--------|------------------|------------------|
| | £ | £ |
| Grants | <u>1,306,481</u> | <u>1,174,803</u> |

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

6. INCOME FROM CHARITABLE ACTIVITIES - continued

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

| | 2020 £ | 2019 £ |
|--------------------------------|------------------|------------------|
| National Lottery Heritage Fund | <u>1,306,481</u> | <u>1,174,803</u> |

7. RAISING FUNDS

Raising donations and legacies

| | 2020 £ | 2019 £ |
|------------------|---------------|---------------|
| Consultancy fees | <u>21,255</u> | <u>15,026</u> |

Other trading activities

| | 2020 £ | 2019 £ |
|------------------------------|--------------|--------------|
| Cost of functions and events | 5,916 | 6,484 |
| Depreciation | <u>622</u> | <u>622</u> |
| | <u>6,538</u> | <u>7,106</u> |

| | | |
|-------------------|---------------|---------------|
| Aggregate amounts | <u>27,793</u> | <u>22,132</u> |
|-------------------|---------------|---------------|

8. CHARITABLE ACTIVITIES COSTS

| | Direct costs (See note 9) £ | Support costs (See note 10) £ | Totals £ |
|--|-----------------------------------|-------------------------------------|---------------|
| Preservation of the heritage of Hay Castle | <u>39,964</u> | <u>40,129</u> | <u>80,093</u> |

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

| | 2020 £ | 2019 £ |
|----------------------------|---------------|---------------|
| Establishment costs | 27,666 | 18,078 |
| Postage and stationery | 932 | 1,068 |
| Advertising and promotions | 8,169 | 4,682 |
| Repairs and maintenance | 1,778 | 4,651 |
| Travel | 223 | 200 |
| Office expenses | 919 | 755 |
| Website costs | - | 125 |
| Bank charges | <u>277</u> | <u>331</u> |
| | <u>39,964</u> | <u>29,890</u> |

10. SUPPORT COSTS

| | Staff costs £ | Other £ | Governance costs £ | Totals £ |
|--|------------------|---------------|--------------------------|---------------|
| Preservation of the heritage of Hay Castle | <u>19,505</u> | <u>10,182</u> | <u>10,442</u> | <u>40,129</u> |

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

11. NET INCOME/(EXPENDITURE)

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

| | 2020 £ | 2019 £ |
|-----------------------------|--------------|--------------|
| Depreciation - owned assets | 622 | 622 |
| Auditors' remuneration | <u>4,000</u> | <u>4,200</u> |

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 April 2020 or for the year-ended 30 April 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 April 2020 or for the year ended 30 April 2019.

13. STAFF COSTS

| | 2020 £ | 2019 £ |
|------------------------|---------------|---------------|
| Wages and salaries | 64,725 | 51,892 |
| Social security costs | 3,894 | 2,999 |
| Employer pension costs | <u>856</u> | <u>-</u> |
| | <u>69,475</u> | <u>54,891</u> |

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

| | 2020 | 2019 |
|-----------|----------|----------|
| Employees | <u>2</u> | <u>1</u> |

During October 2019, the number of employees increased from one to two.

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

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|--|----------------------------|--------------------------|---------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 12,973 | 305,333 | 318,306 |
| Charitable activities | | | |
| Preservation of the heritage of Hay Castle | - | 1,174,803 | 1,174,803 |
| Other trading activities | 89,326 | - | 89,326 |
| Investment income | <u>741</u> | <u>-</u> | <u>741</u> |
| Total | 103,040 | 1,480,136 | 1,583,176 |
| EXPENDITURE ON | | | |
| Raising funds | 22,132 | - | 22,132 |
| Charitable activities | | | |
| Preservation of the heritage of Hay Castle | <u>24,299</u> | <u>34,162</u> | <u>58,461</u> |
| Total | 46,431 | 34,162 | 80,593 |
| NET INCOME | 56,609 | 1,445,974 | 1,502,583 |

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – continued

| | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|------------------------------------|-------------------------|-----------------------|-------------------------|
| Transfers between funds | <u>1,614,253</u> | <u>(1,614,253)</u> | - |
| Net movement in funds | 1,670,862 | (168,279) | 1,502,583 |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | <u>3,120,990</u> | <u>862,708</u> | <u>3,983,698</u> |
| TOTAL FUNDS CARRIED FORWARD | <u><u>4,791,852</u></u> | <u><u>694,429</u></u> | <u><u>5,486,281</u></u> |

15. TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|-----------------------|------------------------|--------------------------|----------------------------|-------------------------|------------------|
| COST | | | | | |
| At 1 May 2019 | 4,813,818 | 9,486 | 6,222 | 1,424 | 4,830,950 |
| Additions | <u>2,028,601</u> | - | - | - | <u>2,028,601</u> |
| At 30 April 2020 | <u>6,842,419</u> | <u>9,486</u> | <u>6,222</u> | <u>1,424</u> | <u>6,859,551</u> |
| DEPRECIATION | | | | | |
| At 1 May 2019 | - | 9,486 | 4,147 | 1,424 | 15,057 |
| Charge for year | - | - | <u>622</u> | - | <u>622</u> |
| At 30 April 2020 | - | <u>9,486</u> | <u>4,769</u> | <u>1,424</u> | <u>15,679</u> |
| NET BOOK VALUE | | | | | |
| At 30 April 2020 | <u>6,842,419</u> | <u>-</u> | <u>1,453</u> | <u>-</u> | <u>6,843,872</u> |
| At 30 April 2019 | <u>4,813,818</u> | <u>-</u> | <u>2,075</u> | <u>-</u> | <u>4,815,893</u> |

16. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|-----------------------|-----------------------------------|
| MARKET VALUE | |
| Additions | <u>1</u> |
| NET BOOK VALUE | |
| At 30 April 2020 | <u><u>1</u></u> |
| At 30 April 2019 | <u><u>-</u></u> |

There were no investment assets outside the UK.

HAY CASTLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020**

16. FIXED ASSET INVESTMENTS - continued

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

Hay Castle Trading Limited

Nature of business: Dormant company

| | |
|-----------------|----------------|
| Class of share: | % |
| Ordinary | holding 100 |

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 160 | 40 |
| Other debtors | 294,590 | 672,807 |
| VAT | 11,994 | 37,980 |
| Prepayments and accrued income | <u>3,176</u> | <u>8,200</u> |
| | <u>309,920</u> | <u>719,027</u> |

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 | 2019 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 61,666 | 238,695 |
| Amounts owed to group undertakings | 1 | - |
| Social security and other taxes | - | 1,104 |
| Other creditors | 201,148 | 800 |
| Accruals and deferred income | <u>153,790</u> | <u>8,700</u> |
| | <u>416,605</u> | <u>249,299</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 | - |
| Amounts released | - |
| Amounts deferred in the year | <u>53,334</u> |
| Deferred income carried forward | <u>53,334</u> |

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

19. MOVEMENT IN FUNDS

| | At 1/5/19 £ | Net movement in funds £ | Transfers between funds £ | At 30/4/20 £ |
|--|------------------|-------------------------------|---------------------------------|------------------|
| Unrestricted funds | | | | |
| General fund | (24,041) | 8,479 | (149,308) | (164,870) |
| Fixed asset fund | <u>4,815,893</u> | - | <u>2,027,979</u> | <u>6,843,872</u> |
| | 4,791,852 | 8,479 | 1,878,671 | 6,679,002 |
| Restricted funds | | | | |
| National Lottery Heritage Fund | - | 1,254,647 | (1,254,647) | - |
| Regeneration of Hay Castle | 120,000 | 50,000 | (61,760) | 108,240 |
| Ernest Cook Trust | 479 | (479) | - | - |
| Country Houses Foundation | 70,000 | - | (30,000) | 40,000 |
| The Wolfson Foundation | 96,000 | - | (96,000) | - |
| The Leche Trust | 2,500 | - | (2,500) | - |
| Education and Activity | 9,909 | - | - | 9,909 |
| Heritage Skills Training | 53,123 | - | (6,702) | 46,421 |
| Powys War Memorials Project | 5,000 | 2,570 | (5,000) | 2,570 |
| The Clore Duffield Foundation | 286,861 | - | (286,861) | - |
| Esmée Fairbairn Foundation | 35,557 | 48,361 | (49,969) | 33,949 |
| Rural Communities Development Fund | 5,000 | - | (4,000) | 1,000 |
| The Sackler Trust | 10,000 | - | (10,000) | - |
| The Headley Trust | - | 10,000 | (10,000) | - |
| The LEADER Programme | - | 29,212 | (29,212) | - |
| National Lottery Community Fund | - | 31,420 | (31,420) | - |
| Herefordshire Community Foundation | - | 600 | (600) | - |
| Oakdale Trust | - | 230 | - | 230 |
| Hay Castle Retail start-up | - | 11,000 | - | 11,000 |
| Community Foundation Wales - Ashley Family Foundation | - | 8,000 | - | 8,000 |
| | <u>694,429</u> | <u>1,445,561</u> | <u>(1,878,671)</u> | <u>261,319</u> |
| TOTAL FUNDS | <u>5,486,281</u> | <u>1,454,040</u> | <u>-</u> | <u>6,940,321</u> |

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020

19. 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 | 58,560 | (50,081) | 8,479 |
| Restricted funds | | | |
| National Lottery Heritage Fund | 1,306,481 | (51,834) | 1,254,647 |
| Regeneration of Hay Castle | 50,000 | - | 50,000 |
| Powys War Memorials Project | 2,570 | - | 2,570 |
| Esmée Fairbairn Foundation | 53,333 | (4,972) | 48,361 |
| The Headley Trust | 10,000 | - | 10,000 |
| The LEADER Programme | 29,212 | - | 29,212 |
| National Lottery Community Fund | 31,420 | - | 31,420 |
| Herefordshire Community Foundation | 600 | - | 600 |
| Oakdale Trust | 750 | (520) | 230 |
| Hay Castle Retail start-up | 11,000 | - | 11,000 |
| Community Foundation Wales - Ashley Family Foundation | 8,000 | - | 8,000 |
| Ernest Cook Trust | - | (479) | (479) |
| | <u>1,503,366</u> | <u>(57,805)</u> | <u>1,445,561</u> |
| TOTAL FUNDS | <u><u>1,561,926</u></u> | <u><u>(107,886)</u></u> | <u><u>1,454,040</u></u> |

Comparatives for 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 | 31,330 | - | (31,330) | - |
| National Lottery Heritage Fund | - | 1,144,940 | (1,144,940) | - |
| The Headley Trust | 46,000 | - | (46,000) | - |
| Regeneration of Hay Castle | 360,000 | (154) | (239,846) | 120,000 |
| Ernest Cook Trust | 2,846 | (2,367) | - | 479 |
| Country Houses Foundation | 100,000 | - | (30,000) | 70,000 |
| The Wolfson Foundation | 96,000 | - | - | 96,000 |
| The Leche Trust | 2,500 | - | - | 2,500 |
| Reading Room | 6,000 | - | (6,000) | - |
| Education and Activity | 9,909 | - | - | 9,909 |
| Heritage Skills Training | 53,123 | - | - | 53,123 |
| Powys War Memorials Project | 5,000 | - | - | 5,000 |
| The Clore Duffield Foundation | 150,000 | 150,000 | (13,139) | 286,861 |
| Esmée Fairbairn Foundation | - | 51,555 | (15,998) | 35,557 |
| Rural Communities Development Fund | - | 92,000 | (87,000) | 5,000 |
| The Sackler Trust | - | 10,000 | - | 10,000 |
| | <u>862,708</u> | <u>1,445,974</u> | <u>(1,614,253)</u> | <u>694,429</u> |
| TOTAL FUNDS | <u><u>3,983,698</u></u> | <u><u>1,502,583</u></u> | <u><u>-</u></u> | <u><u>5,486,281</u></u> |

HAY CASTLE TRUST LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020****19. MOVEMENT IN FUNDS - continued**

Comparative 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 | | | |
| National Lottery Heritage Fund | 1,174,803 | (29,863) | 1,144,940 |
| Regeneration of Hay Castle | - | (154) | (154) |
| The Clore Duffield Foundation | 150,000 | - | 150,000 |
| Esmée Fairbairn Foundation | 53,333 | (1,778) | 51,555 |
| Rural Communities Development Fund | 92,000 | - | 92,000 |
| The Sackler Trust | 10,000 | - | 10,000 |
| Ernest Cook Trust | - | (2,367) | (2,367) |
| | <u>1,480,136</u> | <u>(34,162)</u> | <u>1,445,974</u> |
| TOTAL FUNDS | <u>1,583,176</u> | <u>(80,593)</u> | <u>1,502,583</u> |

19. MOVEMENT IN FUNDS - continued

Designated fixed asset fund

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

National Lottery Heritage Fund

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

Regeneration of Hay Castle

The fund originally 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 had been fully spent during the previous year except for the Visit Wales grant. During the year further funding of £50,000 was received from the Garfield Weston Foundation.

Ernest Cook Trust

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

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

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. This work was completed during the year.

The Leche Trust

Grant funding received from The Leche Trust which is to be used towards the costs of window repairs at Hay Castle. This work was completed during the year.

Education and Activity

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

Heritage Skills Training

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 Memorials Project

Grant funding of £5,000 received during the 2018 financial year from Powys County Council which was to be used towards the costs of the repair and restoration of the war memorial. This funding was fully spent in the year. In addition, a further £2,570 was received from Powys County Council this year.

The Clore Duffield Foundation

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.

Esmée Fairbairn Foundation

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. This was the 2nd year of funding.

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.

The Sackler Trust

Grant funding of £10,000 was received during the previous 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.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 APRIL 2020

19. MOVEMENT IN FUNDS - continued

The Headley Trust

Funding of £10,000 was received in the year from The Headley Trust for The Great Gates restoration.

LEADER Programme

Notification of a grant was received on 16 June 2017 from the Welsh Government Rural Communities - The LEADER Programme in Powys for a Hay Castle Digital Project.

National Lottery Community Fund - Rural 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.

Herefordshire Community Foundation

We were successful in our application to the Herefordshire Community Foundation and were awarded £600 from the Becket Bulmer fund to undertake tree works.

Oakdale Trust

Funding of £750 was received from the Oakdale Trust for the Hay Castle: Memories of the Town of Books project.

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.

Comparative year only

Medieval Gate

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 Headley Trust

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

Reading Room

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.

Transfers between funds

Transfers totalling £149,308 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 £2,027,979 was made to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

20. PENSION COMMITMENTS

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 £856 (2019: £Nil).

Contributions totalling £348 (2019: £Nil) were payable to the scheme at the year end and are included in creditors.

21. 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.

HAY CASTLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 APRIL 2020**

22. CAPITAL COMMITMENTS

At the year end the Trust had capital commitments with the contractors for approximately £2.22m and for professional fees of £206,000. These commitments will be subject to the usual retentions and late completion penalties which are unknown at this point in time.

There are also capital commitments for the Interpretation Scheme design and installation of £188,000.

The National Lottery Heritage Fund are continuing to support the restoration project and will fund a significant proportion of the commitments noted above.

23. RELATED PARTY DISCLOSURES

During the year Mrs N L Albert received remuneration of £55,521 (2019: £54,891). Mrs Albert is the spouse of Mr J Albert, a trustee of the charity. Mrs N L Albert is the only member of key management personnel.

During the year the charity received an interest-free loan of £200,000 from Lindenleaf Charitable Trust, a charity with a number of trustees in common. The loan is disclosed within creditors: amounts falling due within one year.