

**REGISTERED COMPANY NUMBER: 03955918 (England and Wales)**  
**REGISTERED CHARITY NUMBER: 1080667**

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2018  
For  
Ymddiriedolaeth Cadwraeth Adeiladau Cadwgan  
Cadwgan Building Preservation Trust**

Ashmole and Co.  
Chartered Certified Accountants and Statutory  
Auditors  
Manchester House  
Grosvenor Hill  
Cardigan  
Ceredigion  
SA43 1HY

**Cadwgan Building Preservation Trust**

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for the Year Ended 31 March 2018**

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## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the Year Ended 31 March 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

Our charity's purposes as set out in the company's memorandum of association are to:-

Preserve for the benefit of the people of Cardigan Town and of the Nation, the historical, architectural and constructional heritage that may exist in and around Cardigan Town in buildings (including any buildings as defined in section 336 of the Town and Country Planning Act 1990) of particular beauty, historical or constructional interest.

##### **Significant activities**

The focus of the trust's work is the restoration and preservation of Cardigan Castle for the benefit the people of Cardigan Town and of the Nation. Cardigan Castle is a Scheduled Ancient Monument of immense importance in Welsh heritage and culture as the site of what has been regarded as the first Eisteddfod in 1176. Through its 900 year history the site has taken on a number of different roles and its evolution continues to this day.

Cardigan Castle has been restored to an excellent standard thanks to the enthusiasm and commitment of the local community and tremendous support from external funders. This quality of this work was recognised not only by the castle winning Channel 4's Restoration of the Year Award against 27 other strong contenders, but also by the Welsh Government Minister for Culture, Tourism and Sport's description of Cardigan Castle was a shining example of a living castle that had relevant functions to modern society.

Restoration work is still continuing. During the year under review the Castle invested in two significant infrastructure projects funded by a transitional grant from the Heritage Lottery Fund. The castle entrance was substantially upgraded to improve visibility and accessibility, while under-used space in the stables was converted to provide additional accommodation. The trust has recently taken a long lease on the Brioude Garden, which adjoins the castle entrance, with a plan for significant improvements to this area in due course.

The trustees and staff are now working to ensure that Cardigan Castle can be fully sustainable, generating sufficient revenues to provide a strong heritage and educational experience while also maintaining the fabric of the heritage asset. In autumn 2017, the trust appointed a Castle Director to oversee this process. There have already been significant gains made through cost reduction, increased revenue and sustainable business planning.

Cardigan Castle is attracting visitors from a wide geographic area and, as well as informing these visitors about the history and the heritage of the area, this influx has had a significant positive impact on Cardigan businesses and the local economy. Visitors are able to stay within the walls of this historic site to celebrate, to learn, to do business and to dine. At the same time a large number of local residents and schoolchildren are taking advantage of the site's cultural, educational, recreational and entertainment events. The wide range of activities taking place within the walls delivers an ever-wider exposure of the castle's remarkable story.

##### **Public benefit**

The Trustees have reviewed the Charity's impact on the people of Ceredigion having regard to the Charity Commission guidance on public benefit and believe that maintaining and preserving this historic monument is to the public benefit.

## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the Year Ended 31 March 2018**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

To meet its charitable objects, the trust needs to establish the castle's longer term sustainability by generating sufficient funds to maintain and insure the external and internal fabric of the site, keep the buildings warm and clean, welcome visitors and provide them with information about the history and cultural heritage of the site, maintain and refresh the exhibitions, organise entertainments, provide accommodation for cultural and heritage groups and tend the gardens, all the while ensuring the safety of the public.

##### **Heritage**

During the period covered by these accounts Cardigan Castle saw a strong increase in visitor numbers, in part due to publicity surrounding the winning of Channel 4's Restoration of the Year Programme. Visitors have come from far and wide to see the restoration and to learn more about the site's unique history.

The castle has established further links with heritage and cultural organisations in Wales. A partnership with the National Museum of Wales has enabled a loaned exhibition of a replica of Hedd Wyn's Black Chair, while the Castle's partnership with Ceredigion Museum has seen a series of seasonal exhibitions being presented. New partnerships with local attractions such as the National Woollen Museum and the Wildlife Centre will see collaborative work to attract additional visitors to each site.

##### **Language & Culture**

Partnerships with Nant Gwrtheyrn and Aberystwyth University have placed Cardigan Castle at the forefront of Welsh language education courses for adults. These courses provide a sustainable income that is in keeping with the values of the site.

Our partnership with Theatre Mwldan has continued to bring a range of cultural acts to the castle which allows a broader demographic to make use of the site. The diversity of the programme ensures that the castle's charitable activities reach all sections of society. The castle has also continued to facilitate local clubs and societies whose activities include; harp music for children and young adults, poetry, photography and genealogy.

##### **Local Community**

Cardigan Castle is committed to being a focal point for the local community, During the reporting period and in Summer 2018, the Castle has hosted local events such as Gwyl Fawr and Gwyl y Cynhaeaf.

The castle has also been successful in reaching out to other local community groups, regularly hosting volunteers from Clynyw Care Farm as well as Welsh Baccalaureate students and many more.

The charity is immensely grateful to the strong team of volunteers who work to keep the castle going and to enhance visitor experience and understanding of the site. Volunteer hours have continued at a high level and those who chose to give their time can do so in a wide variety of roles. New volunteers are always very welcome.

##### **Education**

Cardigan Castle has a responsibility to facilitate learning, specifically regarding the history of the castle, its occupants and Cardigan's own rich history. A series of learning resources have been developed for Key Stages 1, 2 & 3 and these can be used either in the classroom or at the castle.

## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the Year Ended 31 March 2018**

#### **FINANCIAL REVIEW**

##### **Financial position**

The 2017/18 financial year saw a strong increase in visitors, thanks in part to Cardigan Castle's TV exposure on the Channel 4 Restoration of the Year programme. Encouraging progress is being made to increase revenue from other sources such as weddings and accommodation. The summer of 2018 saw a further increase in numbers of guests staying within the castle, with occupancy levels rising to 92.1% in August, a marked increase from the previous year. The financial accounts include revenues and expenditures relating to grants as well as recurring revenues and expenses from other activities. Grant income is on a declining trend, falling by £106,365 during the year, as HLF start up running costs come to an end. Recurring income streams from both charitable and trading activities increased during the year. In particular, income from charitable admissions was up 47.5%, while income from trading activities was up by £33,500.

The trust has changed its arrangements with 1176 so that its utility bills are settled by the restaurant and no longer included in these accounts. This means that the reduction in 1176 income shown in these accounts is offset by a corresponding savings in utility costs. 1176 itself continued to increase revenues during the financial year.

The financial accounts show a loss of £142,248. The trustees recognise that this figure is shown after charging non-cash depreciation of £314,349 to write down the investment in Fixed Assets and Heritage Assets of recent years. Adding this non-cash charge back, the trust made a cash surplus of £172,101, which contributed to the significant increase in unrestricted reserves. Without grant income of £208,318, the trust would have made cash loss of £36,217. It is this level of cash loss that the trustees are working to turn around in order to put Cardigan Castle on a sustainable footing.

The trust's trading subsidiary, Cardigan Castle Enterprises Ltd, had another strong year and will be in a position to make a donation of £76,643 to the trust before the end of December 2018.

## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the Year Ended 31 March 2018**

#### **FINANCIAL REVIEW**

##### **Reserves policy**

The trust has a high level of restricted reserves that reflect the heavy investment in heritage assets in recent years. As described in the Financial Review, grant receipts of £208,318 during the year under review enabled the trust to generate a cash surplus of £172,101 and helped to boost unrestricted reserves to £434,436 at 31 March 2018. The trustees consider unrestricted reserves to be at a satisfactory level in relation to annual costs.

#### **FUTURE PLANNING**

Financial sustainability will remain a primary focus of the Trustees and the Castle Director. Opportunities have been identified to increase income from private events and weddings and to introduce activities and courses that will help to boost off-season accommodation. The Trustees will work with the director to ensure that the strategy and infrastructure are in place to make a success of these measures. Meanwhile, an events sub-committee has recently been established to develop further the range of heritage and cultural activities in order to attract return visitors.

The trust would like to recruit additional trustees with appropriate skills and experience to assist in the development and the sustainability of Cardigan Castle.

## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the Year Ended 31 March 2018**

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The organisation is a charitable company limited by guarantee, incorporated on 21 March 2000 and registered as a charity on 11 May 2000. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

The directors of the company are also charity trustees for the purposes of charity law. Under the requirements of the Memorandum and Articles of Association, the number nearest to one third of the elected trustees must be re-elected at each Annual General Meeting.

In common with very many other charities, the trust has a trading subsidiary, Cardigan Castle Enterprises Ltd, that carries out the non-charitable activities on site. The financial accounts attached to this report consolidate the activities of this subsidiary, but Note 13 to the accounts summarises its performance. During 2017/18, Cardigan Castle Enterprises Ltd made a profit of £76,643 and this will be donated to the trust before the end of the calendar year in order to support its charitable activities. All Cadwgan trustees are also directors of Cardigan Castle Enterprises Ltd.

##### **Recruitment and appointment of new trustees**

New trustees are briefed on their legal obligations under charity and company law, the Charity Commission Guidance on public benefit, content of the Memorandum and Articles of Association, the committee and decision-making process and the recent financial performance of the charity.

##### **Risk management**

The trustees maintain a risk register which is updated regularly. They also have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

##### **Management**

Membership of the trust is open to anyone who supports the trust's objectives and aims. Applications for membership are welcomed at any time and are considered at each monthly trustees meeting. Membership takes effect from the date of approval by the trustees and is renewable annually in January. The subscription is currently £15 per calendar year.

All trustees give their time voluntarily and receive no pecuniary or other benefits from the charity.

**Cadwgan Building Preservation Trust**

**Report of the Trustees  
for the Year Ended 31 March 2018**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

03955918 (England and Wales)

**Registered Charity number**

1080667

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered office**

Cardigan Castle

Green Street

CARDIGAN

Ceredigion

SA43 1JA

**Trustees**

G Lloyd

Mrs EN Davies

JC Davies

AM Reed

CS Hewitt

K Taylor

BJ Barrett

- appointed 26.07.2017

**Company Secretary**

J Timms

**Auditors**

Ashmole and Co.

Chartered Certified Accountants and Statutory

Auditors

Manchester House

Grosvenor Hill

Cardigan

Ceredigion

SA43 1HY

**Solicitors**

Messrs Morgan & Richardson

7 St. Mary Street

Cardigan

Ceredigion

SA43 1HB

**Bankers**

Barclays Bank plc

32 High Street

Cardigan

Ceredigion

SA43 1HH

**Cadwgan Building Preservation Trust**

**Report of the Trustees  
for the Year Ended 31 March 2018**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

The trustees (who are also the directors of Cadwgan Building Preservation Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

**AUDITORS**

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

Approved by order of the board of trustees on ..... and signed on its behalf by:

.....

J Timms - Secretary

## **Report of the Independent Auditors to the Trustees of Cadwgan Building Preservation Trust**

### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, 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 we do not express any form of assurance conclusion thereon.

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Report of the Independent Auditors to the Trustees of  
Cadwgan Building Preservation Trust**

**Responsibilities of trustees**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ashmole and Co.  
Chartered Certified Accountants and Statutory  
Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
Manchester House  
Grosvenor Hill  
Cardigan  
Ceredigion  
SA43 1HY

Date: .....

**Cadwgan Building Preservation Trust**

**Consolidated Statement of Financial Activities  
for the Year Ended 31 March 2018**

	Notes	Unrestricted fund £	Restricted fund £	31.3.18 Total funds £	31.3.17 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	11,528	-	11,529	9,040
<b>Charitable activities</b>	5				
Castle renovation		78,976	208,318	287,294	368,509
Other trading activities	3	246,328	-	246,328	212,743
Investment income	4	<u>245</u>	<u>-</u>	<u>245</u>	<u>390</u>
<b>Total</b>		337,077	208,318	545,396	590,682
 <b>EXPENDITURE ON</b>					
Raising funds	6	126,040	-	126,040	104,688
<b>Charitable activities</b>	7				
Castle renovation		<u>71,645</u>	<u>489,959</u>	<u>561,604</u>	<u>586,527</u>
<b>Total</b>		<u>197,685</u>	<u>489,959</u>	<u>687,644</u>	<u>691,215</u>
<b>NET INCOME/(EXPENDITURE)</b>		139,392	(281,640)	(142,248)	(100,533)
 <b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>295,043</u>	<u>9,476,835</u>	<u>9,771,878</u>	<u>9,872,411</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>434,435</u></u>	<u><u>9,195,195</u></u>	<u><u>9,629,630</u></u>	<u><u>9,771,878</u></u>

The notes form part of these financial statements

**Cadwgan Building Preservation Trust**

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

		Unrestricted fund	Restricted fund	31.3.18 Total funds	31.3.17 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	15	4,316	1,506,872	1,511,188	1,692,695
Heritage assets	16	<u>-</u>	<u>7,761,541</u>	<u>7,761,541</u>	<u>7,765,773</u>
		4,316	9,268,413	9,272,729	9,458,468
<b>CURRENT ASSETS</b>					
Stocks	17	15,902	-	15,902	19,982
Debtors	18	40,652	-	40,652	148,190
Cash at bank and in hand		<u>513,634</u>	<u>-</u>	<u>513,634</u>	<u>360,601</u>
		570,188	-	570,188	528,773
<b>CREDITORS</b>					
Amounts falling due within one year	19	(140,068)	(73,219)	(213,287)	(215,363)
		<u>430,120</u>	<u>(73,219)</u>	<u>356,901</u>	<u>313,410</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>					
		<u>434,436</u>	9,195,194	9,629,630	9,771,878
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>434,436</u>	<u>9,195,194</u>	<u>9,629,630</u>	<u>9,771,878</u>
<b>NET ASSETS</b>					
		<u>434,436</u>	<u>9,195,194</u>	<u>9,629,630</u>	<u>9,771,878</u>
<b>FUNDS</b>					
Unrestricted funds	21			434,436	295,043
Restricted funds				<u>9,195,194</u>	<u>9,476,835</u>
<b>TOTAL FUNDS</b>					
				<u>9,629,630</u>	<u>9,771,878</u>

The notes form part of these financial statements

**Cadwgan Building Preservation Trust**

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

		Unrestricted fund	Restricted fund	31.3.18 Total funds	31.3.17 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	15	-	1,506,872	1,506,872	1,686,940
Heritage assets	16	<u>-</u>	<u>7,761,541</u>	<u>7,761,541</u>	<u>7,765,773</u>
		-	9,268,413	9,268,413	9,452,713
<b>CURRENT ASSETS</b>					
Debtors	18	343,126	-	343,126	163,029
Cash at bank and in hand		<u>140,099</u>	<u>-</u>	<u>140,099</u>	<u>306,217</u>
		483,225	-	483,225	469,246
<b>CREDITORS</b>					
Amounts falling due within one year	19	(2,488)	(80,934)	(83,422)	(150,081)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>480,737</u>	<u>(80,934)</u>	<u>399,803</u>	<u>319,165</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>480,737</u>	<u>9,187,479</u>	<u>9,668,216</u>	<u>9,771,878</u>
<b>NET ASSETS</b>		<u>480,737</u>	<u>9,187,479</u>	<u>9,668,216</u>	<u>9,771,878</u>
<b>FUNDS</b>					
Unrestricted funds	21			480,737	294,861
Restricted funds				<u>9,187,479</u>	<u>9,477,017</u>
<b>TOTAL FUNDS</b>				<u>9,668,216</u>	<u>9,771,878</u>

The notes form part of these financial statements

**Cadwgan Building Preservation Trust**

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

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

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

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on ..... and were signed on its behalf by:

.....  
Mrs EN Davies - Trustee

.....  
CS Hewitt - Trustee

**Cadwgan Building Preservation Trust**

**Cash Flow Statement  
for the Year Ended 31 March 2018**

	Notes	31.3.18 £	31.3.17 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>93,733</u>	<u>637,524</u>
<b>Net cash provided by (used in) operating activities</b>		<u>93,733</u>	<u>637,524</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(70,249)	(330,396)
Purchase of heritage assets		(58,361)	(123,475)
Interest received		<u>245</u>	<u>390</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(128,365)</u>	<u>(453,481)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		(34,632)	184,043
<b>Cash and cash equivalents at the beginning of the reporting period</b>	2	<u>360,601</u>	<u>176,559</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	2	<u><u>325,969</u></u>	<u><u>360,602</u></u>

The notes form part of these financial statements

**Cadwgan Building Preservation Trust**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2018**

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

	31.3.18	31.3.17
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(142,248)	(100,533)
<b>Adjustments for:</b>		
Depreciation charges	314,349	312,122
Interest received	(245)	(390)
Decrease/(increase) in stocks	4,080	(7,552)
Decrease in debtors	130,672	304,567
(Decrease)/increase in creditors	<u>(212,875)</u>	<u>129,310</u>
<b>Net cash provided by (used in) operating activities</b>	<u>93,733</u>	<u>637,524</u>

**2. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	31.3.18	31.3.17
	£	£
Cash in hand	3,257	5,720
Notice deposits (less than 3 months)	510,377	354,881
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(73,218)</u>	<u>-</u>
<b>Total cash and cash equivalents</b>	<u>440,416</u>	<u>360,601</u>

## Cadwgan Building Preservation Trust

### Notes to the Financial Statements for the Year Ended 31 March 2018

#### 1. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Allocation and apportionment of costs**

Costs are allocated between direct charitable and trading expenditure according to the nature of the cost.

##### **Tangible fixed assets**

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

Freehold property	- not provided
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on cost and 25% on reducing balance

##### **Heritage assets**

Heritage assets are the tangible assets of the Charity that are of historical importance and are being held to advance the preservation, conservation and educational objectives of the Charity and through public access contribute to the nation's culture and education.

The castle and its grounds and all subsequent restoration and development expenditure in these assets are considered to be heritage assets.

In accordance with the Trust's accounting policy, the value of the original heritage asset acquired under the lease is not included within the financial statements as due to the historic and unique nature of the assets concerned, conventional approaches lack sufficient reliability to give a meaningful value to the asset.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Taxation**

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

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**2. DONATIONS AND LEGACIES**

	31.3.18	31.3.17
	£	£
Donations	9,529	7,040
Cardigan Town Council	<u>2,000</u>	<u>2,000</u>
	<u>11,529</u>	<u>9,040</u>

**3. OTHER TRADING ACTIVITIES**

	31.3.18	31.3.17
	£	£
Shop income	17,835	21,154
Room hire	29,901	28,688
Rental income	7,500	7,500
Events income	4,371	9,751
1176 income	25,631	56,075
Accommodation	142,331	83,436
Other sales	<u>18,759</u>	<u>6,139</u>
	<u>246,328</u>	<u>212,743</u>

**4. INVESTMENT INCOME**

	31.3.18	31.3.17
	£	£
Bank account interest	<u>245</u>	<u>390</u>

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Activity</b>	31.3.18 £	31.3.17 £
Admissions	Castle renovation	75,644	51,273
Memberships	Castle renovation	405	447
Educational tours and courses	Castle renovation	2,927	2,106
Other Grants	Castle renovation	6,751	-
Community Asset Transfer - Big Lottery Grant	Castle renovation	-	35,668
Heritage Lottery Fund	Castle renovation	<u>201,567</u>	<u>279,015</u>
		<u>287,294</u>	<u>368,509</u>

**6. RAISING FUNDS**

**Other trading activities**

	31.3.18 £	31.3.17 £
Purchases	14,390	7,832
Staff costs	31,868	35,608
Bad debts	-	559
Accommodation expenses	43,330	31,194
Events expenses	5,599	5,015
Licences and permits	780	238
Other trading expenses	12,438	9,062
Marketing and publicity	<u>17,635</u>	<u>15,180</u>
	<u>126,040</u>	<u>104,688</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs £	Support costs (See note 8) £	Totals £
Castle renovation	<u>39,889</u>	<u>521,715</u>	<u>561,604</u>

**8. SUPPORT COSTS**

	Management £	Other £	Governance costs £	Totals £
Castle renovation	<u>202,806</u>	<u>314,349</u>	<u>4,560</u>	<u>521,715</u>

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

**9. NET INCOME/(EXPENDITURE)**

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

	31.3.18	31.3.17
	£	£
Auditors' remuneration	2,400	2,400
Auditors' remuneration for non audit work	2,160	2,160
Depreciation - Tangible assets	251,756	249,494
Heritage assets	<u>62,593</u>	<u>62,627</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

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

**Trustees' expenses**

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

**11. STAFF COSTS**

	31.3.18	31.3.17
	£	£
Wages and salaries	159,250	140,477
Social security costs	<u>7,941</u>	<u>5,688</u>
	<u>167,191</u>	<u>146,135</u>

No employee received in excess of £60,000.

**Staff Categories**

The number of staff employed by the charity during the year was as follows:

Management	2
Operational	9
Finance	<u>1</u>
	<u>12</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	9,040	-	9,040
<b>Charitable activities</b>			
Castle renovation	53,826	314,683	368,509
Other trading activities	212,743	-	212,743
Investment income	<u>390</u>	<u>-</u>	<u>390</u>
<b>Total</b>	275,999	314,683	590,682
<b>EXPENDITURE ON</b>			
Raising funds	104,688	-	104,688
<b>Charitable activities</b>			
Castle renovation	<u>53,216</u>	<u>533,311</u>	<u>586,527</u>
<b>Total</b>	<u>157,904</u>	<u>533,311</u>	<u>691,215</u>
<b>NET INCOME/(EXPENDITURE)</b>	118,094	(218,627)	(100,533)
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	<u>176,949</u>	<u>9,695,462</u>	<u>9,872,411</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>295,043</u></u>	<u><u>9,476,835</u></u>	<u><u>9,771,878</u></u>

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

**13. SUBSIDIARY COMPANY**

The charity has a wholly owned subsidiary Cardigan Castle Enterprises Ltd, a company limited by guarantee and incorporated in England and Wales. The company carries out trading and commercial activity with the purpose of raising money for donation to the charity.

A summary of its financial activity is given below:

	31.03.18	31.03.17
	£	£
Turnover	238,828	207,349
Cost of sales	76,537	53,387
Overheads	85,648	99,605
Interest received	-	-
	<u>76,643</u>	<u>54,357</u>
Net (deficit)/surplus before donation to the Charity		
	<u>76,643</u>	<u>54,357</u>
Donation to the Charity		
	<u>76,643</u>	<u>54,357</u>

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 April 2017	1,234,547	47,202	972,958	2,254,707
Additions	<u>17,342</u>	<u>9,663</u>	<u>43,244</u>	<u>70,249</u>
At 31 March 2018	<u>1,251,889</u>	<u>56,865</u>	<u>1,016,202</u>	<u>2,324,956</u>
<b>DEPRECIATION</b>				
At 1 April 2017	-	27,237	534,775	562,012
Charge for year	<u>-</u>	<u>7,407</u>	<u>244,349</u>	<u>251,756</u>
At 31 March 2018	<u>-</u>	<u>34,644</u>	<u>779,124</u>	<u>813,768</u>
<b>NET BOOK VALUE</b>				
At 31 March 2018	<u>1,251,889</u>	<u>22,221</u>	<u>237,078</u>	<u>1,511,188</u>
At 31 March 2017	<u>1,234,547</u>	<u>19,965</u>	<u>438,183</u>	<u>1,692,695</u>

Included in cost or valuation of land and buildings is freehold land of £1,251,889 (2017 - £1,234,547) which is not depreciated.

Freehold property comprises Bayvil House which was acquired by the charity in 2014-15 and also Ty Castell which was acquired by the charity in 2011-12 and improvements to this property. No depreciation is being charged on these properties, as the trustees consider the expected residual values to be sufficiently high to deem depreciation immaterial.

Included in tangible assets are fixtures and fittings held by the subsidiary company, Cardigan Castle Enterprise Ltd with a net book value of £4,316 (2017 - £5,755).

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the Year Ended 31 March 2018**

**15. HERITAGE ASSETS**

	Total £
<b>COST</b>	
At 1 April 2017	7,950,423
Restoration work done in the year	<u>58,361</u>
At 31 March 2018	8,008,784
<b>DEPRECIATION</b>	
At 1 April 2017	184,650
Depreciation charge for the year	<u>62,593</u>
At 31 March 2017	247,243
<b>NET BOOK VALUE</b>	
At 31 March 2018	<u><u>7,761,540</u></u>
At 31 March 2017	<u><u>7,765,772</u></u>

The heritage assets consist of the costs of restoration works to the castle buildings and its grounds.

Cardigan Castle and its grounds are leased to Cadwgan Building Preservation Trust for 125 years effective from February 2013. The cost of the acquisition of the lease is nil. An open market valuation is impractical and conventional valuation techniques cannot be applied.

Depreciation is provided to amortise the improvement expenditure over the term of the lease (125 years).

**16. STOCKS**

	31.3.18 £	31.3.17 £
Stocks	<u>15,902</u>	<u>19,982</u>

**17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18 £	31.3.17 £	31.3.18 £	31.3.17 £
	Group	Group	Charity	Charity
Trade debtors	17,518	14,608	-	-
Other debtors	11,954	1,297	11,954	1,297
VAT	-	7,555	-	7,555
Ceredigion County Council	-	-	-	-
Accrued income	-	122,881	-	122,881
Prepayments	11,180	1,849	11,180	1,849
Cardigan Castle Enterprises	<u>-</u>	<u>-</u>	<u>319,992</u>	<u>29,447</u>
	<u>40,652</u>	<u>148,190</u>	<u>343,126</u>	<u>163,029</u>

**Cadwgan Building Preservation Trust**  
**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2018**

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.18 £ Group	31.3.17 £ Group	31.3.18 £ Charity	31.3.17 £ Charity
Social security and other taxes	2,488	717	2,488	717
Other creditors	87,313	40,823	-	-
Accrued expenses	47,481	48,080	7,715	23,621
Ceredigion County Council	-	125,743	-	125,743
VAT	2,787	-	-	-
Bank	73,218	-	73,218	-
	<u>213,287</u>	<u>215,363</u>	<u>83,422</u>	<u>150,081</u>

**19. MOVEMENT IN FUNDS**

	At 1.4.17 £	Net movement in funds £	At 31.3.18 £
<b>Unrestricted funds</b>			
General fund	295,043	139,393	434,436
<b>Restricted funds</b>			
Restricted	9,476,835	(281,641)	9,195,194
<b>TOTAL FUNDS</b>	<u>9,771,878</u>	<u>(142,248)</u>	<u>9,629,630</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	337,077	(197,684)	139,393
<b>Restricted funds</b>			
Restricted	208,319	(489,960)	(281,641)
<b>TOTAL FUNDS</b>	<u>545,396</u>	<u>(687,644)</u>	<u>(142,248)</u>

**20. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2018.

**21. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**Cadwgan Building Preservation Trust**  
**Detailed Statement of Financial Activities**  
**for the Year Ended 31 March 2018**

	31.3.18	31.3.17
	£	£
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	9,529	7,040
Cardigan Town Council	<u>2,000</u>	<u>2,000</u>
	11,529	9,040
<b>Other trading activities</b>		
Shop income	17,835	21,154
Room hire	29,901	28,688
Rental income	7,500	7,500
Events income	4,371	9,751
1176 income	25,631	56,075
Accommodation	142,331	83,436
Other sales	<u>18,759</u>	<u>6,139</u>
	246,328	212,743
<b>Investment income</b>		
Bank account interest	245	390
<b>Charitable activities</b>		
Admissions	75,644	51,273
Memberships	405	447
Educational tours and courses	2,927	2,106
Other Grants	6,751	-
Community Asset Transfer - Big Lottery Grant	-	35,668
Heritage Lottery Fund	<u>201,567</u>	<u>279,015</u>
	<u>287,294</u>	<u>368,509</u>
<b>Total incoming resources</b>	545,396	590,682
<b>EXPENDITURE</b>		
<b>Other trading activities</b>		
Purchases	14,390	7,832
Wages	30,378	34,705
Social security	1,237	903
Pensions	253	-
Bad debts	-	559
Accommodation expenses	43,330	31,194
Events expenses	5,599	5,015
Licences and permits	780	238
Other trading expenses	12,438	9,062
Marketing and publicity	<u>17,635</u>	<u>15,180</u>
	126,040	104,688

This page does not form part of the statutory financial statements

## Cadwgan Building Preservation Trust

### Detailed Statement of Financial Activities for the Year Ended 31 March 2018

	31.3.18	31.3.17
	£	£
<b>Charitable activities</b>		
Professional fees	10,872	26,017
Repairs and renewals	3,244	3,174
Marketing and publicity	21,296	32,522
Events and activities	-	4,552
Gardening expenses	<u>4,477</u>	<u>1,815</u>
	39,889	68,080
<b>Support costs</b>		
<b>Management</b>		
Wages	128,872	105,742
Social security	6,705	4,785
Pension	1,584	-
Rates and water	9,131	3,999
Insurance	6,812	6,055
Light and heat	16,275	40,366
Office costs	10,158	6,804
Sundries	-	2,068
Cleaning and waste disposal	2,386	1,236
Staff recruitment and training	5,695	6,654
Travel and subsistence	4,858	2,356
Bank charges	1,596	2,581
Legal and professional costs	3,420	12,731
Licences and permits	-	181
Credit card charges	<u>5,314</u>	<u>6,207</u>
	202,806	201,765
<b>Other</b>		
Depreciation of tangible assets	251,756	249,495
Depreciation of heritage assets	<u>62,593</u>	<u>62,627</u>
	314,349	312,122
<b>Governance costs</b>		
Auditors' remuneration	2,400	2,400
Auditors' remuneration for non audit work	<u>2,160</u>	<u>2,160</u>
	4,560	4,560
<b>Total resources expended</b>	687,644	691,215
	<u>                    </u>	<u>                    </u>
<b>Net expenditure</b>	<u>(142,248)</u>	<u>(100,533)</u>



This page does not form part of the statutory financial statements