

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

**Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2020
for
Ymddiriedolaeth Cadwraeth Adeiladau Cadwgan
Cadwgan Building Preservation Trust**

Ashmole and Co.
Chartered Certified Accountants and Statutory
Auditors
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Cadwgan Building Preservation Trust

**Contents of the Financial Statements
for the Year Ended 31 March 2020**

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10 to 12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 24
Detailed Statement of Financial Activities	25 to 26

Cadwgan Building Preservation Trust

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

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 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 as a shining example of a living castle that had functions relevant to modern society.

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.

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, as well as educating the public, is to the public benefit.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2020

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

Visitor numbers in 2019/20 remained strong, though the boost provided by winning the Channel 4 Restoration of the Year was not as evident resulting in a slight drop in numbers. Income from admissions also reduced slightly in 2019/20, but continued at an encouragingly high level. Visitors come from far and wide to see the restoration and to learn more about the site's unique history.

Visitor numbers in the latter part of 2019/20 and into 2020/21 have been severely impacted by COVID-19.

The castle has established further links with heritage and cultural organisations in Wales. The site continues to host locally focused talks by Glen Johnson. Displaying of external exhibitions has not been possible in 2020/21 due to the ongoing pandemic. However, grant applications have been made to install more interactive exhibitions within Castle Green House which should assist in attracting visitors in the future and may also facilitate online access to the Castle should we face further periods of lock down restrictions as a result of COVID 19. Discussions are currently underway to establish a "Cardigan and District Community Archive" at the Castle largely based on the collections of Glen Johnson.

Tours of the site remained popular in 2019/20 and provide an excellent means of enriching visitors' experience at the castle. COVID 19 restrictions in 2020/21 have reduced the capacity for tours although a few specially adapted tours have taken place.

Themed tours such as the Easter Egg Hunt and Halloween Tours were held and proved popular once again, although such tours were again cancelled during 2020-21. In lieu of the latter, the Volunteers have recently contributed to the production of a "Ghosts of Cardigan Castle" film (available in both Welsh and English) which has been shown in the Tower Room and has also been made available to the public online to great acclaim.

Language & Culture

One of the highlights of 2019 for Cardigan was the holding of the National Eisteddfod Proclamation Ceremony. Despite losing out to Tregaron in terms of hosting the National Eisteddfod originally scheduled for August 2020 (but now planned for August 2021) a successful bid was made to host the Proclamation Ceremony with that bid largely supported by the need to recognise Cardigan Castle's unique contribution as the location of the first ever National Eisteddfod in 1176.

Partnerships with Nant Gwrtheyrn and Aberystwyth University have placed Cardigan Castle at the forefront of Welsh language education courses for adults in recent years. These courses provide a sustainable income that is in keeping with the values of the site. Weekly Welsh for Adults classes were held in Tŷ Cadwgan up to March 2020, with the Nant Gwrtheyrn Welsh Residential Courses proving successful once again in 2019/20. The Aberystwyth courses have not been held on site since March 2020, although the intention is to recommence these as soon as restrictions allow. Nant Gwrtheyrn have made provisional bookings for their residential courses for the first quarter of 2021, once again depending on the restrictions in place at that time.

Summer 2019 saw the Castle reap the benefits of its ongoing partnership with Theatre Mwldan with the summer programme drawing visitors from near and far and placing the Castle on the map in terms of the area's most popular entertainment venues. It was hoped to repeat this pattern with a similar programme planned for the Summer of 2020. However, immediately prior to the announcement of the summer programme, COVID 19 hit forcing a review of the plans made. The programme has since been rolled over to July 2021, although it still remains to be seen whether such events will be possible.

The Castle continued to facilitate local clubs and societies in 2019-20 with activities including harp music for children and young adults, sewing, poetry, photography and genealogy.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2020

Local Community

Cardigan Castle is committed to being a focal point for the local community, During the reporting period the Castle hosted local events including Cardigan's Annual Lantern Parade and, for the first time during August 2019, the Castle co-hosted the Cardigan River and Food Festival in partnership with Menter Aberteifi. The Castle was also pleased to work with CERED to host the town's second St David's Day Parade ceremony in March 2020 building on the success of the 2019 event.

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 visitors' experience and their understanding of the site. Volunteer hours have continued at a high level and those who choose to give of their time can do so in a wide variety of roles. The pandemic has limited volunteering activities in 2020/21, however the groups have continued to provide support including in the production of masks for staff.

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. The Castle continued to attract school tours on a regular basis in 2019/20 - however these are unlikely to take place for some time as a result of the pandemic.

FINANCIAL REVIEW

Financial position

During 2019/20 the Trust made substantial progress towards its objective of financial self-sufficiency, with a reported net loss of £2,701. However, trustees' key performance indicator is cash profit before deducting non-cash depreciation to write down the value of assets over time. The largest part of this charge during 2019/20 and going forward relates to the accounting requirement to write down the value of £8m of heritage assets to zero at the end of the 125 year lease. Clearly, these heritage assets are not actually diminishing in value. Adding back non-cash depreciation, net income was £116,458 compared to £36,037 in the previous year. Revenues increased by £45,596 and costs were reduced by £34,495, helped by a partial recredit of energy costs which were overcharged in 2018/2019. The non-cash depreciation charge decreased by £133,245 as Fixtures and Fittings with an original cost of more than £1m have now been written down to low values.

Visitor revenues continued at a high level similar to 2018/19, but accommodation revenues increased by 6.8%. and the trust's incomes from 1176 were up 21%. Weddings helped drive higher revenues in 1176 and generated additional income from room hire. The castle's events partnership with Theatr Mwldan had a highly successful summer 2019

The trust's trading subsidiary, Cardigan Castle Enterprises Ltd, had another strong year and will be in a position to make a donation of £133,429 to the trust before the end of December 2020.

Reserves policy

The trust has £8,679,206 of restricted reserves reflecting the heavy investment in heritage assets in recent years. As described in the Financial Review, the reduction in Depreciation enabled the trust to generate a cash surplus and helped to boost unrestricted reserves to £731,686 at 31 March 2020. The trustees consider unrestricted reserves to be at a satisfactory level in relation to annual costs.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2020

FUTURE PLANNING

Financial sustainability will remain a primary focus of the Trust. The reporting period demonstrated that a sustainable future is viable for the Castle, with weddings and events making a large contribution towards the surplus achieved. However, the current financial year has proved very challenging and the operating environment is currently extremely difficult to predict. To mitigate losses resulting from the impact of COVID-19 as much as possible, the Trust has successfully applied for grant funding in 2020/21 including the use of the Furlough scheme, a £45,000 grant via the Welsh Government Economic Resilience Fund and over £90,000 from the National Lottery Heritage Emergency Fund; the latter assisting with the purchase of the new stretch tent and outdoor furniture which allowed the Castle to maximise safe operations over the summer, as well as covering overhead expenses and the refurbishment of the Pavilion. New revenue generating attractions are being established, such as the new "Escape Game" within Castle Green House to provide new regular income streams. Further grant funding has been sought to improve the digital interactive nature of the exhibitions within the house to restimulate interest in the site, as well as making the site more accessible online in future. The focus of the next 12 months (2020/21) will be on returning to normal operations as soon as possible, including events, weddings and the new exhibitions.

The Trust continues to seek trustees with appropriate skills and experience to assist in the development and the sustainability of Cardigan Castle.

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 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 2019/20, Cardigan Castle Enterprises Ltd made a profit of £134,077 and this will be donated to the trust before the end of the calendar year in order to support its charitable activities.

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 trustee meeting. Membership takes effect from the date of approval by the trustees

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 202

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03955918 (England and Wales)

Registered Charity number

1080667

Registered office

Cardigan Castle
Green Street
CARDIGAN
Ceredigion
SA43 1JA

Trustees

EN Davies

JC Davies

AM Reed

CS Hewitt

K Taylor

BJ Barrett - resigned 07.06.2019

DRW Evans

JS Jenkins - appointed 18.06.2019

Auditors

Ashmole and Co.

Chartered Certified Accountants and Statutory

Auditors

Williamston House

7 Goat Street

Haverfordwest

Pembrokeshire

SA61 1PX

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 202**

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

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).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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:

.....
EN Davies – Trustee

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 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 31 March 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 the provisions available for small entities, in the circumstances set out in note 22 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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.

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

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

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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
Williamston House
7 Goat Street
Haverfordwest
Pembrokeshire
SA61 1PX

Date:

Cadwgan Building Preservation Trust

**Statement of Financial Activities
for the Year Ended 31 March 2020**

	Notes	Unrestricted fund £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	13,559	-	13,559	6,484
Charitable activities					
Castle Activities	5	73,092	50,425	123,517	153,536
Other trading activities	3	317,735	-	317,735	249,285
Investment income	4	<u>257</u>	<u>-</u>	<u>257</u>	<u>167</u>
Total		404,643	50,425	455,068	409,472
 EXPENDITURE ON					
Raising funds	6	141,525	-	141,525	116,781
Charitable activities					
Castle Activities	7	65,641	250,603	316,244	508,728
Total		<u>207,166</u>	<u>250,603</u>	<u>457,769</u>	<u>625,509</u>
NET INCOME/(EXPENDITURE)		197,477	(200,178)	(2,701)	(216,037)
 RECONCILIATION OF FUNDS					
Total funds brought forward		534,209	8,879,384	9,413,593	9,629,630
TOTAL FUNDS CARRIED FORWARD		<u>731,686</u>	<u>8,679,206</u>	<u>9,410,892</u>	<u>9,413,593</u>
		<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Cadwgan Building Preservation Trust

**Balance Sheet - Consolidated
31 March 2020**

	Notes	Unrestricted fund £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
FIXED ASSETS					
Tangible assets	14	920	1,321,285	1,322,205	1,355,792
Heritage assets	15	<u>-</u>	<u>7,637,827</u>	<u>7,637,827</u>	<u>7,699,671</u>
		920	8,959,112	8,960,032	9,055,463
CURRENT ASSETS					
Stocks	16	14,988	-	14,988	17,316
Debtors	17	42,718	-	42,718	78,204
Cash at bank and in hand		<u>722,295</u>	<u>-</u>	<u>722,295</u>	<u>506,047</u>
		780,001	-	780,001	601,567
CREDITORS					
Amounts falling due within one year	18	(49,235)	(279,906)	(329,141)	(243,437)
		<u>730,766</u>	<u>(279,906)</u>	<u>450,860</u>	<u>358,130</u>
NET CURRENT ASSETS					
		<u>731,686</u>	8,679,206	9,410,892	9,413,593
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>731,686</u>	<u>8,679,206</u>	<u>9,410,892</u>	<u>9,413,593</u>
NET ASSETS					
	19			731,686	534,209
Unrestricted funds				<u>8,679,206</u>	<u>8,879,384</u>
Restricted funds					
TOTAL FUNDS					
				<u>9,410,892</u>	<u>9,413,593</u>

Cadwgan Building Preservation Trust

**Balance Sheet – Charity
31 March 2020**

	Notes	Unrestricted fund £	Restricted fund £	31.3.20 Total funds £	31.3.19 Total funds £
FIXED ASSETS					
Tangible assets	14	-	1,321,285	1,321,285	1,352,555
Heritage assets	15	-	<u>7,637,827</u>	<u>7,637,827</u>	<u>7,699,671</u>
		-	8,959,112	8,959,112	9,052,226
CURRENT ASSETS					
Debtors	17	431,009	-	431,009	350,864
Cash at bank and in hand		<u>320,583</u>	-	<u>320,583</u>	<u>213,534</u>
		751,592	-	751,592	564,398
CREDITORS					
Amounts falling due within one year	18	(3,152)	(279,907)	(283,059)	(176,363)
		<u>748,440</u>	<u>(279,907)</u>	<u>9,427,645</u>	<u>388,035</u>
NET CURRENT ASSETS					
		<u>748,440</u>	<u>(279,907)</u>	<u>9,427,645</u>	<u>388,035</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>748,440</u>	<u>8,679,205</u>	<u>9,427,645</u>	<u>9,440,261</u>
NET ASSETS					
		<u>748,440</u>	<u>8,679,205</u>	<u>9,427,645</u>	<u>9,440,261</u>
FUNDS					
	19			748,440	552,122
Unrestricted funds				<u>8,679,205</u>	<u>8,878,139</u>
Restricted funds					
TOTAL FUNDS					
				<u>9,427,645</u>	<u>9,440,261</u>

Cadwgan Building Preservation Trust

**Balance Sheet – Charity continued
31 March 2020**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

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 145 of the Charities Act 2011.

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

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

.....
EN Davies - Trustee

.....
CS Hewitt - Trustee

Cadwgan Building Preservation Trust

**Cash Flow Statement
for the Year Ended 31 March 2020**

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	1	<u>157,813</u>	<u>(72,238)</u>
Net cash provided by/(used in) operating activities		<u>157,813</u>	<u>(72,238)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(23,394)	(34,913)
Purchase of heritage assets		-	(225)
Interest received		<u>257</u>	<u>167</u>
Net cash used in investing activities		<u>(23,137)</u>	<u>(34,971)</u>
Change in cash and cash equivalents in the reporting period		134,676	(107,209)
Cash and cash equivalents at the beginning of the reporting period	2	<u>333,207</u>	<u>440,416</u>
Cash and cash equivalents at the end of the reporting period	2	467,883	333,207

Cadwgan Building Preservation Trust

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2020**

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

	31.3.20	31.3.19
	£	£
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(2,701)	(216,037)
Adjustments for:		
Depreciation charges	118,825	252,404
Interest received	(257)	(167)
Decrease/(increase) in stocks	2,328	(1,414)
Decrease/(increase) in debtors	35,486	(37,552)
Increase/(decrease) in creditors	<u>4,132</u>	<u>(69,472)</u>
Net cash provided by/(used in) operations	<u><u>157,813</u></u>	<u><u>(72,238)</u></u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.3.20	31.3.19
	£	£
Cash in hand	510	15,058
Notice deposits (less than 3 months)	721,785	490,989
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(254,412)</u>	<u>(172,840)</u>
Total cash and cash equivalents	<u><u>467,883</u></u>	<u><u>333,207</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19	Cash flow	At 31.3.20
	£	£	£
Net cash			
Cash at bank and in hand	506,047	216,248	722,295
Bank overdraft	<u>(172,840)</u>	<u>(81,572)</u>	<u>(254,412)</u>
	<u>333,207</u>	<u>134,676</u>	<u>467,883</u>
Total	<u><u>333,207</u></u>	<u><u>134,676</u></u>	<u><u>467,883</u></u>

Cadwgan Building Preservation Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

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 2019)', 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 2020**

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

	31.3.20	31.3.19
	£	£
Donations	11,559	6,484
Cardigan Town Council	<u>2,000</u>	<u>-</u>
	<u>13,559</u>	<u>6,484</u>

3. OTHER TRADING ACTIVITIES

	31.3.20	31.3.19
	£	£
Shop income	17,834	13,642
Room hire	49,406	29,559
Rental income	7,500	7,500
Events income	33,145	5,287
1176 income	30,999	25,614
Accommodation	174,992	163,877
Other sales	<u>3,859</u>	<u>3,806</u>
	<u>317,735</u>	<u>249,285</u>

4. INVESTMENT INCOME

	31.3.20	31.3.19
	£	£
Bank account interest	<u>257</u>	<u>167</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.20	31.3.19
	Activity	£	£
Admissions	Castle Activities	68,536	69,040
Educational tours and courses	Castle Activities	4,556	3,845
Other Grants	Castle Activities	-	18,924
Heritage Lottery Fund	Castle Activities	<u>50,425</u>	<u>61,727</u>
		<u>123,517</u>	<u>153,536</u>

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

		31.3.20	31.3.19
		£	£
Ceredigion County Council		-	7,875
Community Councils		-	1,049
Big Lottery		<u>-</u>	<u>10,000</u>
		<u>-</u>	<u>18,924</u>

6. RAISING FUNDS

Other trading activities

		31.3.20	31.3.19
		£	£
Purchases		14,212	7,396
Staff costs		31,059	28,973
Bad debts		335	651
Accommodation expenses		44,265	51,132
Events expenses		17,098	5,131
Licences and permits		1,634	762
Marketing and publicity		3,968	4,879
Maintenance and other trading		<u>28,954</u>	<u>17,857</u>
		<u>141,525</u>	<u>116,781</u>

7. CHARITABLE ACTIVITIES COSTS

		Direct Costs £	Support costs (see note 8) £	Totals £
<u>Castle Activities</u>	<u>5,633</u>	310,611	316,244	

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

8. SUPPORT COSTS

	Management £	Other £	Governance costs £	Totals £
Castle Activities	<u>186,802</u>	<u>119,159</u>	<u>4,650</u>	<u>310,611</u>

9. NET INCOME/(EXPENDITURE)

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

	31.3.20 £	31.3.19 £
Auditors' remuneration	2,400	2,400
Auditors' remuneration for non audit work	2,250	2,190
Depreciation - Tangible assets	57,316	190,309
Heritage assets	<u>61,843</u>	<u>62,094</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2020 nor for the year ended 31 March 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2020 nor for the year ended 31 March 2019.

11. STAFF COSTS

	31.3.20 £	31.3.19 £
Wages and salaries	153,269	162,745
Social security costs	<u>8,498</u>	<u>9,244</u>
	<u>161,767</u>	<u>171,989</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	7
Finance	<u>1</u>
	<u>10</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	6,485	-	6,484
Charitable activities			
Castle Activities	72,885	80,650	153,536
Other trading activities	249,285	-	249,285
Investment income	<u>167</u>	<u>-</u>	<u>167</u>
Total	328,822	80,650	409,472
EXPENDITURE ON			
Raising funds	116,781	-	116,781
Charitable activities			
Castle Activities	112,268	396,460	508,728
Total	<u>229,049</u>	<u>396,460</u>	<u>625,509</u>
NET INCOME/(EXPENDITURE)	99,773	(315,810)	(216,037)
RECONCILIATION OF FUNDS			
Total funds brought forward	434,436	9,195,194	9,629,630
TOTAL FUNDS CARRIED FORWARD	<u><u>534,209</u></u>	<u><u>8,879,384</u></u>	<u><u>9,413,593</u></u>

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:

	31.03.20 £	31.03.19 £
Turnover	309,738	241,785
Cost of sales	107,023	82,278
Overheads	69,286	82,216
Interest received	<u>-</u>	<u>-</u>
Net (deficit)/surplus before donation to the Charity	<u><u>133,429</u></u>	<u><u>77,291</u></u>
Donation to the Charity	133,429	77,291

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2019	1,274,956	61,237	1,023,676	2,359,869
Additions	<u>-</u>	<u>3,740</u>	<u>19,654</u>	<u>23,394</u>
At 31 March 2020	<u>1,274,956</u>	<u>64,977</u>	<u>1,043,330</u>	<u>2,383,263</u>
DEPRECIATION				
At 1 April 2019	-	41,292	962,785	1,004,077
Charge for year	<u>-</u>	<u>5,844</u>	<u>51,137</u>	<u>56,981</u>
At 31 March 2020	<u>-</u>	<u>47,136</u>	<u>1,013,922</u>	<u>1,061,058</u>
NET BOOK VALUE				
At 31 March 2020	<u>1,274,956</u>	<u>17,841</u>	<u>29,408</u>	<u>1,322,205</u>
At 31 March 2019	<u>1,274,956</u>	<u>19,945</u>	<u>60,891</u>	<u>1,355,792</u>

Included in cost or valuation of land and buildings is freehold land of £1,274,956 (2019 - £1,274,956) which is not depreciated.

Freehold property comprises Bayvil House which was acquired by the charity in 2014-15 and also Tŷ 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 £920 (2019 - £3,237)

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

15. HERITAGE ASSETS

	Total £
COST	
At 1 April 2019	8,009,008
Restoration work done in the year	<u>-</u>
At 31 March 2020	8,009,008
DEPRECIATION	
At 1 April 2019	309,337
Depreciation charge for the year	<u>61,843</u>
At 31 March 2020	371,181
 NET BOOK VALUE	
At 31 March 2020	<u><u>7,637,828</u></u>
At 31 March 2019	<u><u>7,699,671</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

	31.3.20 Group £	31.03.19 Group £	31.3.20 Charity £	31.3.19 Charity
Stocks	<u>14,988</u>	<u>17,316</u>	<u>14,988</u>	<u>17,316</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £ Group	31.3.19 £ Group	31.3.20 £ Charity	31.3.19 £ Charity
Trade debtors	14,259	36,060	-	-
Other debtors	18,273	30,235	18,273	30,235
Prepayments	10,186	11,909	10,186	11,909
Cardigan Castle Enterprises	<u>-</u>	<u>-</u>	<u>402,550</u>	<u>308,720</u>
	<u>42,718</u>	<u>78,204</u>	<u>431,009</u>	<u>350,864</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.20 £	31.3.19 £	31.3.20 £	31.3.19 £
	Group	Group	Charity	Charity
Social security and other taxes	3,152	2,276	3,152	2,276
Other creditors	25,766	30,952	-	-
Accrued expenses	15,754	30,848	-	1,247
VAT	4,562	6,521	-	-
Bank	254,412	172,840	254,412	172,840
Deferred income	25,495	-	25,495	-
	<u>329,141</u>	<u>243,437</u>	<u>283,059</u>	<u>176,363</u>

19. MOVEMENT IN FUNDS - continued

	At 1.4.19 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	534,209	197,477	731,686
Restricted funds			
Restricted	8,879,384	(200,178)	8,679,206
TOTAL FUNDS	<u>9,413,593</u>	<u>(2,701)</u>	<u>9,410,892</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	404,643	(207,166)	197,477
Restricted funds			
Restricted	50,425	(250,603)	(200,178)
TOTAL FUNDS	<u>455,068</u>	<u>(457,769)</u>	<u>(2,701)</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

19. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.18 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	434,436	99,773	534,209
Restricted funds			
Restricted	9,195,194	(315,810)	8,879,384
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>9,629,630</u>	<u>(216,037)</u>	<u>9,413,593</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	328,822	(229,049)	99,773
Restricted funds			
Restricted	80,650	(396,460)	(315,810)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>409,472</u>	<u>(625,509)</u>	<u>(216,037)</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.18 £	Net movement in funds £	At 31.3.20 £
Unrestricted funds			
General fund	434,436	297,250	731,686
Restricted funds			
Restricted	9,195,194	(515,988)	8,679,206
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>9,629,630</u>	<u>(218,738)</u>	<u>9,410,892</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2020**

19. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	733,465	(436,215)	297,250
Restricted funds			
Restricted	131,075	(647,063)	(515,988)
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS	<u>864,540</u>	<u>(1,083,278)</u>	<u>(218,738)</u>

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2020.

21. FRC 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.

22. POST BALANCE SHEET EVENTS

COVID-19

As a result of the Covid-19 pandemic, the charity was required to close temporarily all activities post year end. However, support was received from the Welsh Government in the form of Business grants and the Job Retention Scheme, which helped cover the loss of income. In addition, the charity has received support from the National Heritage Lottery Emergency fund to ensure the future viability of the castle.

23. GOING CONCERN

These financial statements are prepared on the going concern basis. Despite Covid-19 the trustees have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

Cadwgan Building Preservation Trust

**Detailed Statement of Financial Activities
for the Year Ended 31 March 2020**

	31.3.20 £	31.3.19 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	11,559	6,484
Cardigan Town Council	<u>2,000</u>	<u>-</u>
	13,559	6,484
Other trading activities		
Shop income	17,834	13,642
Room hire	49,406	29,559
Rental income	7,500	7,500
Events income	33,145	5,287
1176 income	30,999	25,614
Accommodation	174,992	163,877
Other sales	<u>3,859</u>	<u>3,806</u>
	317,735	249,285
Investment income		
Bank account interest	257	167
Charitable activities		
Admissions	68,536	69,040
Educational tours and courses	4,556	3,845
Other Grants	-	18,924
Heritage Lottery Fund	<u>50,425</u>	<u>61,727</u>
	<u>123,517</u>	<u>153,536</u>
Total incoming resources	455,068	409,472
EXPENDITURE		
Other trading activities		
Purchases	14,212	7,396
Wages	29,109	27,625
Social security & Pension cost	1,950	1,348
Bad debts	335	651
Accommodation expenses	44,265	51,132
Events expenses	17,098	5,131
Licences and permits	1,634	762
Marketing and publicity	3,968	4,879
Maintenance and other trading	<u>28,954</u>	<u>17,857</u>
	141,525	116,781
Charitable activities		
Professional fees	2,177	5,079
Carried forward	2,177	5,079

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 2020

	31.3.20 £	31.3.19 £
Charitable activities		
Brought forward	2,177	5,079
Repairs and renewals	853	2,374
Marketing and publicity	-	20,000
Gardening expenses	<u>2,603</u>	<u>2,562</u>
	5,633	30,015
Support costs		
Management		
Wages	124,160	135,120
Social Security & Pension Cost	9,601	10,015
Rates and water	9,674	8,686
Insurance	6,463	5,742
Light and heat	18,245	39,400
Office costs	8,222	9,091
Sundries	906	3,891
Cleaning and waste disposal	1,829	2,210
Staff recruitment and training	209	1,283
Travel and subsistence	1,484	631
Bank charges	1,330	867
Legal and professional costs	1,307	1,800
Credit card charges	<u>3,372</u>	<u>2,983</u>
	186,802	221,719
Other		
Depreciation of tangible assets	57,316	190,310
Depreciation of heritage assets	<u>61,843</u>	<u>62,094</u>
	119,159	252,404
Governance costs		
Auditors' remuneration	2,400	2,400
Auditors' remuneration for non audit work	<u>2,250</u>	<u>2,190</u>
	4,650	4,590
Total resources expended	<u>457,769</u>	<u>625,509</u>
Net expenditure	<u>(2,701)</u>	<u>(216,037)</u>



This page does not form part of the statutory financial statements