

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

**Report of the Trustees and  
Financial Statements for the Year Ended 31 March 2016  
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 2016**

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## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the year ended 31 March 2016**

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 2016. 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 for Smaller Entities (the FRSSE) (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 or historical, architectural 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 was one of the first stone castles built by a Welsh prince and the eisteddfod was held to celebrate its completion. It was built by Rhys ap Gruffudd, Prince of Deheubarth and one of the most important rulers of pre-conquest Wales. Its position at the lowest bridging point over the River Teifi led to the growth of Cardigan as a major port, eventually becoming an important point of departure for Welsh people emigrating to North and South America. As such, Cardigan and its castle are of great significance to the worldwide Welsh community.

The site was badly damaged during the Civil War and subsequently passed into private ownership. A Georgian villa was built into the old North Tower of the castle and successive owners have played important roles in Cardigan's maritime and civic history. The house was occupied by the army during the Second World War and fell into an increasingly ruinous condition during the second half of the 20th century. From 1975 the castle walls had to be supported by steel buttresses to prevent further collapse, while the house was condemned as unfit for human occupation. Since 2003, the site has been owned by Ceredigion County Council and the charity has worked in partnership with CCC on a £12m restoration project to bring the site, its several listed buildings and its historic gardens into public use.

On 14 April 2015, fifteen years of hard work came to fruition and veteran Cardigan Castle campaigners, Fr Seamus Cunnane and Cllr Gwynfi Jenkins, cut the ribbon to open the castle. First Minister of Wales, Carwyn Jones, conducted the official opening ceremony on 25 June 2015 and the day ended with a memorable concert that celebrated the Cardigan area's contribution to national and international talent. The exhibition areas celebrate Cardigan Castle's huge significance as the site of the first eisteddfod in 1176 and trace the history of both the castle and the town through to the present day. This is a national monument with an evolving history and a vibrant and continuing role within the local community.

##### **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 2016**

#### **ACHIEVEMENT AND PERFORMANCE**

##### **Charitable activities**

The restoration of Cardigan Castle has been completed thanks to the hard work of all concerned and huge support from volunteers and funders. To meet its charitable objects, the trust now needs to establish the castle's longer term sustainability by generating sufficient funds to maintain the external and internal fabric of the site, insure the buildings, keep them 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. The trust is fortunate that a large body of local volunteers has come forward to assist in these tasks.

This year's trustees' report covers the 12 months since Cardigan Castle opened in April 2015, but also refers to activities during summer and autumn 2016. Visitor numbers have met targeted levels and their comments and enthusiasm for the site and the heritage displays have generally been very positive. The Eisteddfod Chair, standing nine feet tall and made by local woodcarving artist Paul Clarke, is a focus for communicating the cultural significance of Cardigan Castle as the site of the first eisteddfod and has provided attractive photo opportunities. 1176 has established a good reputation, especially for afternoon teas and Sunday lunches, and is proving to be a draw to both visitors and the local community, while the accommodation units have attracted very favourable reviews. The castle volunteers have done sterling work in the reception area and the heritage displays, while the gardens have made remarkable progress under their care. Guided tours, led by volunteers, have been particularly popular and have highlighted the continuously evolving history of the castle right through to the present day. Strong relationships have been established with Theatr Mwldan and with Small World Theatre and a large number of entertainments and cultural events organised with these organisations are proving to be very popular. Cardigan Castle hosted a number of weddings during summer 2016, which have been spectacular and memorable occasions. After the tremendous success of the Christmas Fair in December 2015, this year's Fair will run for two days.

The castle has established links with Ceredigion Museum and with the National Library which will enable rotating cultural and heritage exhibitions to be staged and is working with Cardigan Art Society and with the archives of the late local historian, Donald Davies. Regular Welsh classes, poetry classes, harp classes and sewing groups meet on site and in autumn 2016 the castle helped to host the important Welsh literary festival, Gwyl Cynhaef. More recently, a series of Halloween tours has proved to be extremely popular.

The restoration project has won a number of accolades during the last year. In the Welsh regional awards of the Royal Institute of Chartered Surveyors, Cardigan Castle won both the conservation and tourism categories and, as Welsh Project of the Year, went forward to the RICS UK grand final, where it was highly commended as the second best conservation project in the whole of the UK. The castle also won the conservation award of the Royal Society of Architects in Wales and was one of eight buildings shortlisted for the National Eisteddfod 2016 Gold Medal for Architecture.

The restoration of Cardigan Castle has been completed and the transformation of the site is a tribute to the vision of founder chair, Trevor Griffiths OBE, and to all trustees, staff, volunteers, professional advisers, funders and fundraisers who have worked so hard on the project. The local community has made a remarkable contribution, raising over £200,000 of match funding and contributing over 20,000 volunteer hours in the years leading up to the opening.

#### **FINANCIAL REVIEW**

##### **Principal funding sources**

The restoration of Cardigan Castle could not have been completed without the strong commitment and support the trust has received, particularly from the Heritage Lottery Fund, the European Regional Development Fund, the Community Asset Transfer Programme, Cadw, the Architectural Heritage Fund and our partners, Ceredigion County Council. We are also grateful for support received from Cardigan Town Council and a large number of community councils and organisations in Cardigan and surrounding areas. Throughout the restoration process the trust has received generous and expert advice from the Prince's Regeneration Trust.

## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the year ended 31 March 2016**

#### **FINANCIAL REVIEW**

##### **Reserves policy**

Whereas the accounts for previous years have only recorded the restoration work on Cardigan Castle, the accounts for the year to 31 March 2016 include a mix of both the later stages of the restoration work and the operating incomes and expenditures since the castle opened on 14 April 2015. In the current year to 31 March 2017 there will be some additional but much smaller restoration expenditure and a lower level of grant support.

Expenditure on the castle buildings, plant and fittings during the year was just over £1m, almost all of which was supported by grants. After depreciation of nearly £0.3m, the total book value of fixed assets increased from £8.6m to £9.3m, forming by far the largest part of total reserves of £9.8m. Depreciation includes £62,000 to write the heritage assets down to zero over the 125 year term of the lease from CCC and the trustees will disregard this noncash charge in monitoring the operating performance. The remaining depreciation charge of £219,000 covers the reduction in value of plant and fittings as they age. This depreciation charge is not a cash cost and is particularly high at the moment as all the plant and fittings were new at the beginning of the year. Nevertheless, the charity will need to set aside the resources to replace plant and fittings as they wear out.

Revenues from visitors amounted to over £250,000, an encouraging start to operations given that much of the accommodation was not available until August 2015. Grant income is for specified elements of the restoration project and is allocated to restricted funds, but visitor revenues are credited to unrestricted funds, which increased from under £6,000 to £176,000 during the year. These reserves are very important as trustees recognise that, with grant support coming to an end, underlying running costs could be somewhat higher than operating revenues in the short term and that a further improvement in operating performance will be needed to achieve full sustainability.

As with very many charities, the commercial elements of the castle's operations are carried out through a trading subsidiary, Cardigan Castle Enterprises Ltd. The company made a surplus of just over £50,000 during 2015/16, which was donated to the trust to support its charitable activities.

The trust would like to thank the many volunteers, businesses, organisations and supporters who have given so generously of their time and financial support over the lifetime of the project. Their contribution has enabled the trust to meet its match funding targets and complete the restoration. Cardigan Castle will be an important focus for the exhibition and dissemination of Welsh culture and heritage and a major community asset for present and future generations.

#### **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.

Two Special Resolutions are being proposed at the 2016 Annual General Meeting to amend the Articles of Association. The first reflects the reduced number of individuals required to serve as trustees now that the restoration of Cardigan Castle has been completed. The existing articles set the maximum number of trustees at 12, with 4 (one third) being needed to form a quorum at a trustees meeting. The proposed change would ensure that the number nearest to one third of trustees actually serving at any time are required to form a quorum, with the minimum number being 3. The second Special Resolution would change the period of grace during which members of the trust may renew their memberships after they have expired from six months to three months. This would be more in line with other similar organisations and would ensure that staff can complete the renewal process before the busiest part of the year.

## **Cadwgan Building Preservation Trust**

### **Report of the Trustees for the year ended 31 March 2016**

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

##### **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.

Under the Memorandum and Articles of Association, the number of trustees is limited to twelve. Councillor Gareth Lloyd serves as the nominee of Ceredigion County Council and Councillor Clive Davies serves as the nominee of Cardigan Town Council. Non Davies and Keith Evans were appointed at the 2015 AGM on 10 September 2015 and Arwyn Reed was co-opted on 23 December 2015. After the end of the financial year, Chris Hewitt was co-opted on 22 June 2016 and Kevin Taylor was co-opted on 24 August 2016. In accordance with the Articles of Association, Arwyn, Chris and Kevin are standing down at the 2016 AGM and are offering themselves for re-election.

Alongside these important new appointments and with the restoration of Cardigan Castle completed, there have been a number of significant retirements. As reported at the 2015 AGM, Glen Johnson, a historian and very long term supporter of the Cardigan Castle restoration project resigned on 9 September 2015. Jann Tucker and Dick Thomas, founder trustees of YCA Cadwgan BPT who have worked tirelessly on the project for over 17 years, retired on 28 September 2016 and 22 June 2016 respectively. Dr Hedydd Jones, who has served as Deputy Chair and subsequently Chair of the trust, retired on 27 July 2016. Sandra Davies, who took over from Gareth Davies as Treasurer and has steered the trust through the grant process with close attention to detail, is the trustee retiring by rotation at the 2016 AGM and is not offering herself for re-election. Put simply, without the determination and thousands of hours of voluntary effort put in by these individuals the restoration of Cardigan Castle would never have been achieved.

At the 2015 AGM, in recognition of their long term enthusiasm and support for the restoration of Cardigan Castle, Fr Seamus Cunnane, Councillor Gwynfi Jenkins and Glen Johnson were appointed to the honorary position of Patrons of YCA Cadwgan BPT. At the 2016 AGM, the trustees and members are proposing that founder trustees of YCA Cadwgan BPT, Jann Tucker and Dick Thomas, be also appointed Patrons of the trust.

The trust would like to acknowledge the exceptional support that it has received from Ceredigion County Council (CCC) and its officers throughout the processes of applying to the Heritage Lottery Fund (HLF), the European Regional Development Fund, the Community Asset Transfer programme, Cadw and other funding sources, the appointment of design teams, contractors and staff under European procurement rules and managing the restoration and archaeological work carried out.

The strong support and expert advice of the Prince's Regeneration Trust has been invaluable. The trust is also extremely grateful to the Brioude Twinning Committee for their co-operation in agreeing to changes to the Brioude garden, adjacent to the entrance to Cardigan Castle.

No progress on the Cardigan Castle restoration project would have been possible without the support of our funders, volunteers, businesses, organisations, supporters and staff whose immense contributions we acknowledge elsewhere in this report.

**Cadwgan Building Preservation Trust**

**Report of the Trustees  
for the year ended 31 March 2016**

**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**

WHR Thomas	
Mrs EJ Tucker	
Dr HP Jones	
Mrs SM Davies	
GI Lloyd	
GK Johnson	- resigned 9.9.15
Mrs EN Davies	- appointed 10.9.15
EJK Evans	- appointed 10.9.15
JC Davies	- appointed 23.9.15
AM Reed	- appointed 23.12.15

**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 2016**

**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**

We have audited the financial statements of Cadwgan Building Preservation Trust for the year ended 31 March 2016 on pages nine to twenty. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees Responsibilities set out on page six, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors, including APB Ethical Standard - Provisions Available for Small Entities (Revised), in the circumstances set out in note 22 to the financial statements

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

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 2016 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

**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.

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 2016**

		Unrestricted fund	Restricted fund	31.3.16 Total funds	31.3.15 Total funds
	Notes	£	£	£	£
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	9,654	-	9,654	6,275
<b>Charitable activities</b>	5				
Castle renovation		102,837	1,234,004	1,336,841	3,414,236
Other trading activities	3	147,746	-	147,746	28,721
Investment income	4	<u>206</u>	<u>-</u>	<u>206</u>	<u>66</u>
<b>Total</b>		260,443	1,234,004	1,494,447	3,449,298
 <b>EXPENDITURE ON</b>					
Raising funds	6	89,205	-	89,205	1,741
<b>Charitable activities</b>	7				
Castle renovation		<u>-</u>	<u>688,790</u>	<u>688,790</u>	<u>402,636</u>
<b>Total</b>		89,205	688,790	777,995	404,377
 <b>NET INCOME</b>					
		171,238	545,214	716,452	3,044,921
 <b>RECONCILIATION OF FUNDS</b>					
<b>Total funds brought forward</b>		<u>5,711</u>	<u>9,150,248</u>	<u>9,155,959</u>	<u>6,111,038</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>176,949</u></u>	<u><u>9,695,462</u></u>	<u><u>9,872,411</u></u>	<u><u>9,155,959</u></u>

The notes form part of these financial statements

**Cadwgan Building Preservation Trust**

**Balance Sheet - Consolidated  
At 31 March 2016**

		Unrestricted fund	Restricted fund	31.3.16 Total funds	31.3.15 Total funds
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	14	4,783	1,607,010	1,611,793	1,152,044
Heritage assets	15	<u>-</u>	<u>7,704,925</u>	<u>7,704,925</u>	<u>7,425,966</u>
		4,783	9,311,935	9,316,718	8,578,010
<b>CURRENT ASSETS</b>					
Stocks		12,430	-	12,430	3,294
Debtors	16	54,562	398,195	452,757	860,117
Cash at bank and in hand		<u>142,562</u>	<u>33,997</u>	<u>176,559</u>	<u>58,485</u>
		209,554	432,192	641,746	921,896
<b>CREDITORS</b>					
Amounts falling due within one year	17	(37,388)	(48,665)	(86,053)	(343,947)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>172,166</u>	<u>383,527</u>	<u>555,693</u>	<u>577,949</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>176,949</u>	<u>9,695,462</u>	<u>9,872,411</u>	<u>9,155,959</u>
<b>NET ASSETS</b>		<u><u>176,949</u></u>	<u><u>9,695,462</u></u>	<u><u>9,872,411</u></u>	<u><u>9,155,959</u></u>
<b>FUNDS</b>					
Unrestricted funds	18			176,949	5,711
Restricted funds				<u>9,695,462</u>	<u>9,150,248</u>
<b>TOTAL FUNDS</b>				<u><u>9,872,411</u></u>	<u><u>9,155,959</u></u>

The notes form part of these financial statements

**Cadwgan Building Preservation Trust**

**Balance Sheet - Charity  
At 31 March 2016**

	Notes	Unrestricted fund £	Restricted fund £	31.3.16 Total funds £	31.3.15 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	14	-	1,607,010	1,607,010	1,152,044
Heritage assets	15	<u>-</u>	<u>7,704,925</u>	<u>7,704,925</u>	<u>7,425,966</u>
		-	9,311,935	9,311,935	8,578,010
<b>CURRENT ASSETS</b>					
Debtors	16	113,824	398,287	512,111	880,779
Cash at bank and in hand		<u>65,224</u>	<u>33,997</u>	<u>99,221</u>	<u>42,089</u>
		179,048	432,284	611,332	922,868
<b>CREDITORS</b>					
Amounts falling due within one year	17	(27)	(50,828)	(50,855)	(342,423)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<u>179,021</u>	<u>381,456</u>	<u>560,477</u>	<u>580,445</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>179,021</u>	9,693,391	9,872,411	9,158,455
<b>NET ASSETS</b>		<u>176,949</u>	<u>9,695,462</u>	<u>9,872,411</u>	<u>9,158,455</u>
<b>FUNDS</b>					
Unrestricted funds	18			179,021	8,207
Restricted funds				<u>9,693,391</u>	<u>9,150,248</u>
<b>TOTAL FUNDS</b>				<u>9,872,411</u>	<u>9,158,455</u>

The notes form part of these financial statements

**Cadwgan Building Preservation Trust**

**Balance Sheet - continued**  
**At 31 March 2016**

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2016.

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 small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

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

### Notes to the Financial Statements for the year ended 31 March 2016

#### 1. ACCOUNTING POLICIES

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

The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRSSE) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1 January 2015)', the Financial Reporting Standard for Smaller Entities (effective January 2015) 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.

##### **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.

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2016**

**1. ACCOUNTING POLICIES - continued**

**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**

	31.3.16	31.3.15
	£	£
Donations	7,654	6,275
Cardigan Town Council	<u>2,000</u>	<u>-</u>
	<u>9,654</u>	<u>6,275</u>

**3. OTHER TRADING ACTIVITIES**

	31.3.16	31.3.15
	£	£
Fundraising	-	15,890
Shop income	22,191	-
Room hire	18,831	12,081
Rental income	8,125	750
Events income	9,952	-
Cafe income	54,783	-
Accommodation	30,170	-
Other sales	<u>3,694</u>	<u>-</u>
	<u>147,746</u>	<u>28,721</u>

**4. INVESTMENT INCOME**

	31.3.16	31.3.15
	£	£
Bank account interest	<u>206</u>	<u>66</u>

**5. INCOME FROM CHARITABLE ACTIVITIES**

		31.3.16	31.3.15
	<b>Activity</b>	£	£
Admissions	Castle renovation	100,151	-
Memberships	Castle renovation	1,125	-
Educational tours and courses	Castle renovation	1,561	-
Community Asset Transfer - Big Lottery Grant	Castle renovation	88,478	196,779
Heritage Lottery Fund	Castle renovation	764,189	2,083,597
European Regional Development Fund	Castle renovation	356,337	1,124,174
Ashley Family Foundation	Castle renovation	-	9,686
Ceredigion CC Community Grant	Castle renovation	<u>25,000</u>	<u>-</u>
		<u>1,336,841</u>	<u>3,414,236</u>

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2016**

**6. RAISING FUNDS**

**Other trading activities**

	31.3.16 £	31.3.15 £
Purchases	19,143	-
Staff costs	7,694	-
Bad debts	5,838	-
Fundraising costs	-	1,741
Accommodation expenses	15,537	-
Events expenses	3,800	-
Licences and permits	206	-
Other trading expenses	3,189	-
Marketing and publicity	13,157	-
Support costs	<u>20,641</u>	<u>-</u>
	<u>89,205</u>	<u>1,741</u>

**7. CHARITABLE ACTIVITIES COSTS**

	Direct costs £	Support costs (See note 8) £	Totals £
Castle renovation	<u>134,364</u>	<u>554,426</u>	<u>688,790</u>

**8. SUPPORT COSTS**

	Management £	Other £	Governance costs £	Totals £
Fundraising trading: cost of goods sold and other costs	19,046	1,595	-	20,641
Castle renovation	<u>270,056</u>	<u>280,220</u>	<u>4,150</u>	<u>554,426</u>
	<u>289,102</u>	<u>281,815</u>	<u>4,150</u>	<u>575,067</u>

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

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

	31.3.16 £	31.3.15 £
Auditors' remuneration	2,300	2,200
Depreciation – tangible assets	219,679	76,684
Depreciation – heritage assets	<u>62,113</u>	<u>59,887</u>

**10. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015.

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2016**

**11. STAFF COSTS**

	31.3.16 £	31.3.15 £
Wages and salaries	189,466	130,023
Social security costs	<u>8,743</u>	<u>9,794</u>
	<u>198,209</u>	<u>139,817</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>

**12. COMPARATIVES FOR 2014/15 ON THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	6,275	-	6,275
<b>Charitable activities</b>			
Castle renovation	-	3,414,236	3,414,236
Other trading activities	28,721	-	28,721
Investment income	<u>66</u>	<u>-</u>	<u>66</u>
<b>Total</b>	35,062	3,414,236	3,449,298
<b>EXPENDITURE ON</b>			
Raising funds	1,741	-	1,741
<b>Charitable activities</b>			
Castle renovation	<u>27,829</u>	<u>374,807</u>	<u>402,636</u>
<b>Total</b>	<u>29,570</u>	<u>374,807</u>	<u>404,377</u>
<b>NET INCOME</b>	5,492	3,039,429	3,044,921
<b>Transfers between funds</b>	<u>(15,000)</u>	<u>15,000</u>	<u>-</u>
<b>Net movement in funds</b>	(9,508)	3,054,429	3,044,921

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2016**

**12. COMPARATIVES FOR 2014/15 ON THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted fund £	Restricted fund £	Total funds £
<b>RECONCILIATION OF FUNDS</b>			
<b>Total funds brought forward</b>	15,219	6,095,819	6,111,038
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>5,711</u>	<u>9,150,248</u>	<u>9,155,959</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:

	31.03.16 £	31.03.15 £
Turnover	141,182	-
Cost of sales	49,569	-
Overheads	39,749	2,496
Interest received	196	-
	<hr/>	<hr/>
Net (deficit)/surplus before donation to the Charity	<u>52,060</u>	<u>(2,496)</u>
	<hr/>	<hr/>
Donation to the Charity	<u>49,564</u>	<u>-</u>

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2016**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 April 2015	930,818	29,988	284,077	1,244,883
Additions	<u>101,785</u>	<u>13,356</u>	<u>564,287</u>	<u>679,428</u>
At 31 March 2016	<u>1,032,603</u>	<u>43,344</u>	<u>848,364</u>	<u>1,924,311</u>
 <b>DEPRECIATION</b>				
At 1 April 2015	-	12,996	79,843	92,839
Charge for year	<u>-</u>	<u>7,587</u>	<u>212,092</u>	<u>219,679</u>
At 31 March 2016	<u>-</u>	<u>20,583</u>	<u>291,935</u>	<u>312,518</u>
 <b>NET BOOK VALUE</b>				
At 31 March 2016	<u>1,032,603</u>	<u>22,761</u>	<u>556,429</u>	<u>1,611,793</u>
At 31 March 2015	<u>930,818</u>	<u>16,992</u>	<u>204,234</u>	<u>1,152,044</u>

Included in cost or valuation of land and buildings is freehold land of £1,032,603 (2015 - £930,818)

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.

Included in tangible fixed assets are fixtures and fittings held by the subsidiary company, Cardigan Castle Enterprises Ltd with a net book value of £4,783 (2015 – nil).

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2016**

**15. HERITAGE ASSETS**

**COST**

At 1 April 2015	7,485,853
Restoration work done in the year	<u>341,094</u>

At 31 March 2016	7,826,947
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**DEPRECIATION**

At 1 April 2015	59,887
Depreciation charge for the year	<u>62,136</u>

At 31 March 2016	122,023
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**NET BOOK VALUE**

At 31 March 2016	<u><u>7,704,924</u></u>
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At 31 March 2015	<u><u>7,425,966</u></u>
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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. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
	Group	Group	Charity	Charity
Trade debtors	20,278	7,131	-	7,131
Other debtors	6,768	-	5,888	-
VAT	12,497	30,905	12,497	30,905
Ceredigion County Council	164,729	463,954	164,729	463,954
Accrued income	236,009	352,163	236,009	352,163
Prepayments	12,476	5,964	12,476	5,964
Cardigan Castle Enterprises	<u>-</u>	<u>-</u>	<u>80,511</u>	<u>20,662</u>
	<u>452,757</u>	<u>860,117</u>	<u>512,111</u>	<u>880,779</u>

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

	31.3.16	31.3.15	31.3.16	31.3.15
	£	£	£	£
	Group	Group	Charity	Charity
Social security and other taxes	2,163	-	2,163	-
Other creditors	12,035	1,524	-	-
Accrued expenses	<u>71,855</u>	<u>342,423</u>	<u>48,692</u>	<u>342,423</u>
	<u>86,053</u>	<u>343,947</u>	<u>50,855</u>	<u>342,423</u>

**Cadwgan Building Preservation Trust**

**Notes to the Financial Statements - continued  
for the year ended 31 March 2016**

**18. MOVEMENT IN FUNDS**

	At 1.4.15 £	Net movement in funds £	At 31.3.16 £
<b>Unrestricted funds</b>			
General fund	5,711	171,238	176,949
<b>Restricted funds</b>			
Restricted	9,150,248	545,214	9,695,462
<b>TOTAL FUNDS</b>	<u>9,155,959</u>	<u>716,452</u>	<u>9,872,411</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	260,443	(89,205)	171,238
<b>Restricted funds</b>			
Restricted	1,234,004	(688,790)	545,214
<b>TOTAL FUNDS</b>	<u>1,494,447</u>	<u>(777,995)</u>	<u>716,452</u>

**19. CAPITAL COMMITMENTS**

	31.3.16 £	31.3.15 £
Contracted but not provided for in the financial statements	<u>136,869</u>	<u>615,730</u>

The above relates to contractual commitments existing at the year end which are not included in creditors.

**20. RELATED PARTY DISCLOSURES**

There were no related party transactions for the year ended 31 March 2016.

**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 2016**

	31.3.16 £	31.3.15 £
<b>INCOME AND ENDOWMENTS</b>		
<b>Donations and legacies</b>		
Donations	7,654	6,275
Cardigan Town Council	<u>2,000</u>	<u>-</u>
	9,654	6,275
<b>Other trading activities</b>		
Fundraising	-	15,890
Shop income	22,191	-
Room hire	18,831	12,081
Rental income	8,125	750
Events income	9,952	-
Cafe income	54,783	-
Accommodation	30,170	-
Other sales	<u>3,694</u>	<u>-</u>
	147,746	28,721
<b>Investment income</b>		
Bank account interest	206	66
<b>Charitable activities</b>		
Admissions	100,151	-
Memberships	1,125	-
Educational tours and courses	1,561	-
Community Asset Transfer - Big Lottery Grant	88,478	196,779
Heritage Lottery Fund	764,189	2,083,597
European Regional Development Fund	356,337	1,124,174
Ashley Family Foundation	-	9,686
Ceredigion CC Community Grant	<u>25,000</u>	<u>-</u>
	<u>1,336,841</u>	<u>3,414,236</u>
<b>Total incoming resources</b>	1,494,447	3,449,298
<b>EXPENDITURE</b>		
<b>Other trading activities</b>		
Purchases	19,143	-
Wages	7,694	-
Bad debts	5,838	-
Fundraising costs	-	1,741
Accommodation expenses	15,537	-
Events expenses	3,800	-
Licences and permits	206	-
Other trading expenses	3,189	-
Marketing and publicity	<u>13,157</u>	<u>-</u>
	68,564	1,741

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 2016

	31.3.16 £	31.3.15 £
<b>Charitable activities</b>		
Professional fees	17,674	34,982
Repairs and renewals	5,909	127
Volunteer expenses	-	180
Marketing and publicity	91,392	41,405
Events and activities	18,607	752
Educational projects	-	2,241
Gardening expenses	782	1,550
	134,364	81,237
<b>Support costs</b>		
<b>Management</b>		
Wages	179,641	131,433
Social security	8,742	9,794
Pension	847	4,365
Rates and water	1,832	207
Insurance	6,966	6,193
Light and heat	42,227	4,742
Office costs	16,952	10,020
Sundries	2,571	1,544
Cleaning and waste disposal	4,436	2,964
Room hire	-	1,795
Staff recruitment and training	2,540	3,924
Travel and subsistence	513	1,639
Bank charges	2,537	92
Legal and professional costs	17,017	2,117
Licences and permits	1,125	-
Credit card charges	1,156	-
	289,102	180,829
<b>Other</b>		
Depreciation of tangible assets	219,679	76,683
Depreciation of heritage assets	62,136	59,887
	281,815	136,570
<b>Governance costs</b>		
Auditors' remuneration	2,300	2,200
Auditors' remuneration for non audit work	1,850	1,800
	4,150	4,000
<b>Total resources expended</b>	777,995	404,377
<b>Net income</b>	716,452	3,044,921



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LOTTERY FUNDED



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