

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

**Report of the Trustees and
Financial Statements for the Year Ended 31 March 2017
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 2017**

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Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2017

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 2017. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Significant activities

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

Cardigan Castle 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.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The restoration of Cardigan Castle was 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 body of local volunteers has come forward to assist in these tasks.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The quality of the restoration work has been recognised by a number of architectural, conservation and visitor awards. We reported last year that Cardigan Castle had won the conservation award of the Royal Society of Architects in Wales and that, in the Welsh regional awards of the Royal Institution of Chartered Surveyors (RICS), the castle had won both the conservation and tourism categories. It was nominated as Welsh Project of the Year, going on to the RICS UK grand final where it was highly commended as the second best conservation project in the whole of the UK. This year the castle has done even better by winning the Georgian category of the Channel 4/RICS Great British Buildings Restoration of the Year and then, of the 28 UK-wide restoration projects considered, was awarded the title UK Restoration of the Year. The judges made particular mention of the strong community support for the project that had enabled its completion.

More recently, Cardigan Castle was reviewed in travel section of the Daily Telegraph, gaining an unusually high overall rating - 9 out of 10. The review said "There's no denying the pervading sense of history: the minute you step out into the courtyard or gaze out across the mighty ramparts, you're winged back to the Middle Ages when this was one of the greatest castles in all of Wales." Over the summer, Cardigan Castle featured in two S4C programmes, Codi Pac and Profiad Gwaith. A free Cardigan Castle app has been launched to enable visitors to get the most from their visit.

Following the surge in interest following the castle's opening in 2015, visitor numbers dipped in summer 2016. However, the prestige and publicity attaching to the Restoration of the Year award and a large number of events and entertainments have helped to attract a significant increase in visitors during summer 2017. There were fourteen live events staged jointly with Theatr Mwldan, with one of the highlights being the spectacular concert featuring Claire Jones, Rhidian, Tristan Llyr Griffiths and Gwawr Edwards. Four theme days have marked different stages of the castle's long history with an Eisteddfod Day, a Medieval Day, a Georgian Day and World War 2 Day. For the first time and in co-operation with the bat officer the "Crusader" cellar has been opened to the public, allowing visitors to imagine life in the oldest part of the castle. At times when entry to this cellar is not possible, bat cameras relay to visitors the activities of the inhabitants. The busiest week saw a series of concerts by the American Youth Harp Ensemble, with 150 American visitors staying at the castle and in the surrounding area. 1176 has established a great reputation and is proving to be a draw to both visitors and the local community, while the accommodation units have attracted high occupancy and very favourable reviews. Weddings are now a regular feature of the castle calendar and the site offers superb accommodation, catering and photo opportunities for these events. The completion of work on Ty Cadwgan has opened up high quality meeting/conference rooms and additional visitor accommodation.

Cardigan Castle is fortunate to be able to benefit from the work of local experts, artists, craftsmen and poets. During the summer the castle was proud to exhibit the work of local historian, the late Donald Davies. The castle is also grateful to local artist Meiron Jones for donating a portrait of the late Miss Woods. In late August a new sculpture entitled Sword of Peace was unveiled, the product of a joint project between sculptor Ben Dearnley and bards Ceri Wyn Jones and Gillian Clarke.

The programme of events could not have been put together without the enthusiastic support of castle volunteers, who are key to the castle's success. Many visitors have commented on the warm welcome that volunteers have extended and their knowledge of the history and heritage of the site. One group of volunteers works in the gardens, which have continued to make remarkable progress under their care. Four young volunteers are starting work on a new herb garden. Guided tours, led by volunteers, highlight the continuously evolving history of the castle right through to the present day while other volunteers assist visitors to the heritage displays and act as stewards at events.

Tribute must also be paid to castle staff, who are required to work flexibly to cover seven day opening, evening events and weather-driven fluctuations in castle attendances. They have risen to their tasks superbly, ensuring that visitors have an enjoyable and safe experience of the site. It has been announced recently that Jac Davies has been appointed Castle Director, with a brief to steer the castle to even greater heights.

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 has partnered Ceredigion Arts Trail in enabling local artists to showcase their work. Cardigan Town Council allowed the castle to exhibit the civic regalia which date back to Charles I, just before the outer castle walls were destroyed in the Civil War. Regular Welsh classes, poetry classes, harp classes and history, archaeology and sewing groups meet on site and a Camera Club is starting shortly. A programme of Halloween events is planned for later this month, while the Christmas Fayre will be held over two days early in December.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2017

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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, having raised over £200,000 of match funding and contributed over 20,000 volunteer hours in the years leading up to the opening. Although it is difficult to assess accurately the impact that the castle has had on the local economy, hearsay evidence is that it has had a very significant positive effect.

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 (HLF), The European Regional Development Fund, the Community Asset Transfer Programme, Cadw, the Architectural Heritage Fund and our partners, Ceredigion County Council (CCC). We are also grateful for support received from Cardigan Town Council and a large number of community councils and organisations in Cardigan and the surrounding area. Throughout the restoration process the trust has received generous and expert advice from the Prince's Regeneration Trust.

Reserves policy

The charity has a high level (£9.5m) of restricted reserves which reflects the funds that have been expended in restoring its heritage assets. These assets are held on a 125 year lease from CCC and it is the policy of the trust to provide for depreciation in order to write the value down to nil at the end of the lease. The charge was £62,627 in 2016/17, but it is important to recognise that this is not a cash charge.

During 2016/17, income included grants supported expenditure on fixed assets, most notably the completion of the restoration of Ty Cadwgan. In the management accounts the trustees review grant funded expenditure of this nature separately from recurring monthly revenues and running costs.

The trustees are pleased that unrestricted reserves have increased to £295,043, a sum which equates to more than 50% of annual running costs of Cardigan Castle. However, most of the grants to cover start-up running costs came to an end during 2016/17 and although operating income has continued to increase, it remains a fact that cash running costs are higher than cash revenues and the castle is making an operating loss. Accommodation (both bed and breakfast and self-catering) made a particularly strong contribution in 2016/17 as units were open for a full twelve months and the improvement has continued into 2017/18. Weddings generally have a long lead time, but here too revenues are expected to rise sharply in 2017/18.

With the help of further support from HLF and outside experts, the trustees have undertaken a thorough review of activities and the business plan, to ensure the cost efficiency of the site and to identify opportunities to generate additional revenues. The trust has recently appointed Jac Owen Davies as Castle Director to implement the revised business plan and establish the long term sustainability of the site. This post is being supported by an HLF Resilient Heritage grant, for which the trust is very grateful.

The focus of trustees is on cash flow because accounting rules require plant, fixtures and fittings to be depreciated over a relatively short period. Investment in these assets stood at cost £1,020,160 at 31 March 2017, leading to a heavy non-cash depreciation charge of £249,495 during the financial year. Many of these assets (for instance, display cases and furnishings) will have useful lives far longer than the period of depreciation, although trustees will need to provide for timely replacement of plant assets in due course.

The accounts show an overall deficit of £100,533 for the year. Crediting the total non-cash depreciation charge of £312,122 and deducting £314,683 cash grants received suggests that the cash loss was at very much the same level. However, in the opinion of the trustees grant funded expenditure included items of a non-recurring nature, so the underlying cash loss was significantly lower. Performance so far in 2017/18 is ahead of budget.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2017

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 2106/17, Cardigan Castle Enterprises Ltd made a profit of £54,357 and this will be donated to the trust before the end of the calendar year in order to support its charitable activities. All Cadwgan trustees are also directors of Cardigan Castle Enterprises Ltd.

Recruitment and appointment of new trustees

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

Risk management

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

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2017

STRUCTURE, GOVERNANCE AND MANAGEMENT

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. With the restoration of Cardigan Castle complete, 2016/17 saw the retirements of five longstanding trustees. The retirements of Richard Thomas, Hedydd Jones, Jann Tucker and Sandra Davies were recorded in last year's report while Keith Evans, who has served two terms as trustee and was instrumental in establishing the partnership between the trust and Ceredigion County Council, resigned on 6 February 2017 owing to the pressure of other commitments. Non Davies is Chair of the Trust and Chris Hewitt is Treasurer. Councillor Gareth Lloyd serves as the nominee of Ceredigion County Council and Councillor Clive Davies serves as the nominee of Cardigan Town Council. No trustee has been appointed to serve as the nominee of the volunteers. Non Davies is the trustee retiring by rotation and will offer herself for re-election at the 2017 AGM. Bryce Barrett was appointed a trustee on 26 July 2017 and in accordance with the Trust's governing document will also offer himself for re-election at the 2017 AGM.

At the 2016 AGM, founder trustees Jann Tucker and Richard Thomas were appointed Patrons of the trust in recognition of their thousands of hours of voluntary service to the restoration project.

Facilities Officer, Sue Lewis was the senior employee throughout the financial year leading a small permanent team who work flexibly to cover the castle's opening hours. Staff salaries are reviewed and determined by trustees, who set detailed budgets for both income and expenditure and monitor performance against budgets at every monthly trustees meeting. As described above, the trust has recently appointed Jac Davies as Castle Director. Temporary staff are employed during the summer months to accommodate peaks of activity and visitor flows and enthusiastic teams of volunteers enhance the visitor experience

The trust would like to acknowledge the exceptional support that it has received from Ceredigion County Council and its officers throughout the processes of applying to the Heritage Lottery Fund, 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. Further improvements to this area are planned.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2017

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	- resigned 22.6.16
Mrs EJ Tucker	- resigned 28.9.16
Dr HP Jones	- resigned 27.7.16
Mrs S Davies	- resigned 8.12.16
G Lloyd	
Mrs EN Davies	
EJK Evans	- resigned 6.2.17
JC Davies	
AM Reed	
CS Hewitt	- appointed 22.6.16
K Taylor	- appointed 24.8.16

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 2017**

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 2017 on pages ten to twenty six. 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).

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 seven, 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 23 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 2017 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.

**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 2017**

	Notes	Unrestricted fund £	Restricted fund £	31.3.17 Total funds £	31.3.16 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	9,040	-	9,040	9,654
Charitable activities	5				
Castle renovation		53,826	314,683	368,509	1,336,841
Other trading activities	3	212,743	-	212,743	147,746
Investment income	4	390	-	390	206
Total		275,999	314,683	590,682	1,494,447
 EXPENDITURE ON					
Raising funds	6	104,688	-	104,688	89,205
Charitable activities	7				
Castle renovation		53,216	533,311	586,527	688,790
Total		157,904	533,311	691,215	777,995
NET INCOME/(EXPENDITURE)		118,094	(218,627)	(100,533)	716,452
 RECONCILIATION OF FUNDS					
Total funds brought forward		176,949	9,695,462	9,872,411	9,155,959
TOTAL FUNDS CARRIED FORWARD		<u>295,043</u>	<u>9,476,835</u>	<u>9,771,878</u>	<u>9,872,411</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

Cadwgan Building Preservation Trust

**Balance Sheet - Consolidated
At 31 March 2017**

		Unrestricted fund	Restricted fund	31.3.17 Total funds	31.3.16 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	14	5,755	1,686,940	1,692,695	1,611,793
Heritage assets	15	<u>-</u>	<u>7,765,773</u>	<u>7,765,773</u>	<u>7,704,925</u>
		5,755	9,452,713	9,458,468	9,316,718
CURRENT ASSETS					
Stocks	16	19,982	-	19,982	12,430
Debtors	17	25,309	122,881	148,190	452,757
Cash at bank and in hand		<u>309,814</u>	<u>50,787</u>	<u>360,601</u>	<u>176,559</u>
		355,105	173,668	528,773	641,746
CREDITORS					
Amounts falling due within one year	18	(65,817)	(149,546)	(215,363)	(86,053)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CURRENT ASSETS		<u>289,288</u>	<u>24,122</u>	<u>313,410</u>	<u>555,693</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>295,043</u>	<u>9,476,835</u>	<u>9,771,878</u>	<u>9,872,411</u>
NET ASSETS		<u><u>295,043</u></u>	<u><u>9,476,835</u></u>	<u><u>9,771,878</u></u>	<u><u>9,872,411</u></u>
FUNDS					
Unrestricted funds	19			295,043	176,949
Restricted funds				<u>9,476,835</u>	<u>9,695,462</u>
TOTAL FUNDS				<u><u>9,771,878</u></u>	<u><u>9,872,411</u></u>

The notes form part of these financial statements

Cadwgan Building Preservation Trust

**Balance Sheet - Charity
At 31 March 2017**

		Unrestricted fund	Restricted fund	31.3.17 Total funds	31.3.16 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	14	-	1,686,940	1,686,940	1,607,010
Heritage assets	15	-	<u>7,765,773</u>	<u>7,765,773</u>	<u>7,704,925</u>
		-	9,452,713	9,452,713	9,311,935
CURRENT ASSETS					
Debtors	17	40,148	122,881	163,029	512,111
Cash at bank and in hand		<u>255,430</u>	<u>50,787</u>	<u>306,217</u>	<u>99,221</u>
		295,578	173,668	469,246	611,332
CREDITORS					
Amounts falling due within one year	18	(717)	(149,364)	(150,081)	(50,855)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET CURRENT ASSETS		<u>294,861</u>	<u>24,304</u>	<u>319,165</u>	<u>560,477</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>294,861</u>	<u>9,477,017</u>	<u>9,771,878</u>	<u>9,872,411</u>
NET ASSETS		<u><u>294,861</u></u>	<u><u>9,477,017</u></u>	<u><u>9,771,878</u></u>	<u><u>9,872,411</u></u>
FUNDS					
Unrestricted funds	19			294,861	176,949
Restricted funds				<u>9,477,017</u>	<u>9,695,462</u>
TOTAL FUNDS				<u><u>9,771,878</u></u>	<u><u>9,872,411</u></u>

The notes form part of these financial statements

Cadwgan Building Preservation Trust

Balance Sheet - continued
At 31 March 2017

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

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.

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

.....
Mrs EN Davies - Trustee

.....
CS Hewitt - Trustee

Cadwgan Building Preservation Trust

**Cash Flow Statement
for the Year Ended 31 March 2017**

	Notes	31.3.17 £	31.3.16 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>637,524</u>	<u>1,006,552</u>
Net cash provided by (used in) operating activities		<u>637,524</u>	<u>1,006,552</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(330,396)	(679,428)
Purchase of heritage assets		(123,475)	(341,095)
Interest received		<u>390</u>	<u>206</u>
Net cash provided by (used in) investing activities		<u>(453,481)</u>	<u>(1,020,317)</u>
Change in cash and cash equivalents in the reporting period		184,043	(13,765)
Cash and cash equivalents at the beginning of the reporting period		<u>176,559</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>360,602</u></u>	<u><u>(13,765)</u></u>

The notes form part of these financial statements

Cadwgan Building Preservation Trust

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2017**

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

	31.3.17 £	31.3.16 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(100,533)	716,452
Adjustments for:		
Depreciation charges	312,122	281,815
Interest received	(390)	(206)
Increase in stocks	(7,552)	-
Decrease in debtors	304,567	8,491
Increase in creditors	<u>129,310</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>637,524</u></u>	<u><u>1,006,552</u></u>

Cadwgan Building Preservation Trust

Notes to the Financial Statements for the Year Ended 31 March 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Income

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

Expenditure

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

Allocation and apportionment of costs

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

Tangible fixed assets

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

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

Heritage assets

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

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

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

Stocks

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

Taxation

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

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

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

	31.3.17	31.3.16
	£	£
Donations	7,040	7,654
Cardigan Town Council	<u>2,000</u>	<u>2,000</u>
	<u>9,040</u>	<u>9,654</u>

3. OTHER TRADING ACTIVITIES

	31.3.17	31.3.16
	£	£
Shop income	21,154	22,191
Room hire	28,688	18,831
Rental income	7,500	8,125
Events income	9,751	9,952
Cafe income	56,075	54,783
Accommodation	83,436	30,170
Other sales	<u>6,139</u>	<u>3,694</u>
	<u>212,743</u>	<u>147,746</u>

4. INVESTMENT INCOME

	31.3.17	31.3.16
	£	£
Bank account interest	<u>390</u>	<u>206</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.17 £	31.3.16 £
Admissions	Castle renovation	51,273	100,151
Memberships	Castle renovation	447	1,125
Educational tours and courses	Castle renovation	2,106	1,561
Community Asset Transfer - Big Lottery Grant	Castle renovation	35,668	88,478
Heritage Lottery Fund	Castle renovation	279,015	764,189
European Regional Development Fund	Castle renovation	-	356,337
Ceredigion CC Community Grant	Castle renovation	-	25,000
		<u>368,509</u>	<u>1,336,841</u>

6. RAISING FUNDS

Other trading activities

	31.3.17 £	31.3.16 £
Purchases	7,832	19,143
Staff costs	35,608	7,694
Bad debts	559	5,838
Accommodation expenses	31,194	15,537
Events expenses	5,015	3,800
Licences and permits	238	206
Other trading expenses	9,062	3,189
Marketing and publicity	15,180	13,157
Support costs	-	20,641
	<u>104,688</u>	<u>89,205</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs (See note 8) £	Totals £
Castle renovation	<u>68,080</u>	<u>518,447</u>	<u>586,527</u>

8. SUPPORT COSTS

	Management £	Other £	Governance costs £	Totals £
Castle renovation	<u>201,419</u>	<u>312,122</u>	<u>4,906</u>	<u>518,447</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

9. NET INCOME/(EXPENDITURE)

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

	31.3.17	31.3.16
	£	£
Auditors' remuneration	2,400	2,300
Auditors' remuneration for non audit work	2,506	1,850
Depreciation – Tangible assets	249,495	219,679
Heritage assets	<u>62,627</u>	<u>62,113</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

11. STAFF COSTS

	31.3.17	31.3.16
	£	£
Wages and salaries	140,447	189,466
Social security costs	<u>5,688</u>	<u>8,743</u>
	<u>146,135</u>	<u>198,209</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	8
Finance	<u>1</u>
	<u>11</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	9,654	-	9,654
Charitable activities			
Castle renovation	102,837	1,234,004	1,336,841
Other trading activities	147,746	-	147,746
Investment income	206	-	206
	<u>260,443</u>	<u>1,234,004</u>	<u>1,494,447</u>
Total	260,443	1,234,004	1,494,447
 EXPENDITURE ON			
Raising funds	89,205	-	89,205
Charitable activities			
Castle renovation	-	688,790	688,790
	<u>89,205</u>	<u>688,790</u>	<u>777,995</u>
Total	89,205	688,790	777,995
 NET INCOME/(EXPENDITURE)	 171,238	 545,214	 716,452
 RECONCILIATION OF FUNDS			
Total funds brought forward	<u>5,711</u>	<u>9,150,248</u>	<u>9,155,959</u>
TOTAL FUNDS CARRIED FORWARD	<u>176,949</u>	<u>9,695,462</u>	<u>9,872,411</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

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:

	31.03.17	31.03.16
	£	£
Turnover	207,349	141,182
Cost of sales	53,387	49,569
Overheads	99,605	39,749
Interest received	-	196
	<u>54,357</u>	<u>52,060</u>
Net (deficit)/surplus before donation to the Charity		
	<u>54,357</u>	<u>49,564</u>
Donation to the Charity		

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2016	1,032,603	43,344	848,364	1,924,311
Additions	<u>201,944</u>	<u>3,858</u>	<u>124,594</u>	<u>330,396</u>
At 31 March 2017	<u>1,234,547</u>	<u>47,202</u>	<u>972,958</u>	<u>2,254,707</u>
DEPRECIATION				
At 1 April 2016	-	20,583	291,935	312,518
Charge for year	<u>-</u>	<u>6,654</u>	<u>242,840</u>	<u>249,494</u>
At 31 March 2017	<u>-</u>	<u>27,237</u>	<u>534,775</u>	<u>562,012</u>
NET BOOK VALUE				
At 31 March 2017	<u>1,234,547</u>	<u>19,965</u>	<u>438,183</u>	<u>1,692,695</u>
At 31 March 2016	<u>1,032,603</u>	<u>22,761</u>	<u>556,429</u>	<u>1,611,793</u>

Included in cost or valuation of land and buildings is freehold land and property of £1,234,547 (2016 - £1,032,603) which is not depreciated.

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

Included in tangible fixed assets are fixtures and fittings held by the subsidiary company, Cardigan Castle Enterprise Ltd with a net book value of £5,755 (2016 - £4,783)

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

15. HERITAGE ASSETS

	Total £
COST	
At 1 April 2016	7,826,947
Restoration work done in the year	<u>123,475</u>
At 31 March 2017	7,950,422
DEPRECIATION	
At 1 April 2016	122,023
Depreciation charge for the year	<u>62,627</u>
At 31 March 2017	184,650
 NET BOOK VALUE	
At 31 March 2017	<u><u>7,765,772</u></u>
At 31 March 2016	<u><u>7,704,924</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

	31.3.17 £	31.3.16 £
Stocks	<u>19,982</u>	<u>12,430</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £ Group	31.3.16 £ Group	31.3.17 £ Charity	31.3.16 £ Charity
Trade debtors	14,608	20,278	-	-
Other debtors	1,297	6,768	1,297	5,888
VAT	7,555	12,497	7,555	12,497
Ceredigion County Council	-	164,729	-	164,729
Accrued income	122,881	236,009	122,881	236,009
Prepayments	1,849	12,476	1,849	12,476
Cardigan Castle Enterprises	-	-	29,447	80,511
	<u>148,190</u>	<u>452,757</u>	<u>163,029</u>	<u>512,111</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2017**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17	31.3.16	31.3.17	31.3.16
	£	£	£	£
	Group	Group	Charity	Charity
Social security and other taxes	717	2,163	717	2,163
Other creditors	40,823	12,035	-	-
Accrued expenses	48,080	71,855	23,621	48,692
Ceredigion County Council	125,743	-	125,743	-
	<u>215,363</u>	<u>86,053</u>	<u>150,081</u>	<u>50,855</u>

19. MOVEMENT IN FUNDS

	At 1.4.16	Net movement in funds	At 31.3.17
	£	£	£
Unrestricted funds			
General fund	176,949	103,585	280,534
Restricted funds			
Restricted	9,695,462	(204,118)	9,491,344
	<u>9,872,411</u>	<u>(100,533)</u>	<u>9,771,878</u>

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

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	275,999	(172,414)	103,585
Restricted funds			
Restricted	314,683	(518,801)	(204,118)
	<u>590,682</u>	<u>(691,215)</u>	<u>(100,533)</u>

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2017.

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 2017**

	31.3.17 £	31.3.16 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	7,040	7,654
Cardigan Town Council	<u>2,000</u>	<u>2,000</u>
	9,040	9,654
Other trading activities		
Shop income	21,154	22,191
Room hire	28,688	18,831
Rental income	7,500	8,125
Events income	9,751	9,952
Cafe income	56,075	54,783
Accommodation	83,436	30,170
Other sales	<u>6,139</u>	<u>3,694</u>
	212,743	147,746
Investment income		
Bank account interest	390	206
Charitable activities		
Admissions	51,273	100,151
Memberships	447	1,125
Educational tours and courses	2,106	1,561
Community Asset Transfer - Big Lottery Grant	35,668	88,478
Heritage Lottery Fund	279,015	764,189
European Regional Development Fund	-	356,337
Ceredigion CC Community Grant	<u>-</u>	<u>25,000</u>
	<u>368,509</u>	<u>1,336,841</u>
Total incoming resources	590,682	1,494,447
EXPENDITURE		
Other trading activities		
Purchases	7,832	19,143
Wages	34,705	7,694
Social security	903	-
Bad debts	559	5,838
Accommodation expenses	31,194	15,537
Events expenses	5,015	3,800
Licences and permits	238	206
Other trading expenses	9,062	3,189
Marketing and publicity	<u>15,180</u>	<u>13,157</u>
	104,688	68,564

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 2017

	31.3.17 £	31.3.16 £
Charitable activities		
Professional fees	26,017	17,674
Repairs and renewals	3,174	5,909
Marketing and publicity	32,522	91,392
Events and activities	4,552	18,607
Gardening expenses	1,815	782
	<hr/>	<hr/>
	68,080	134,364
Support costs		
Management		
Wages	105,742	179,641
Social security	4,785	8,742
Pension	-	847
Rates and water	3,999	1,832
Insurance	6,055	6,966
Light and heat	40,366	42,227
Office costs	6,804	16,952
Sundries	2,068	2,571
Cleaning and waste disposal	1,236	4,436
Staff recruitment and training	6,654	2,540
Travel and subsistence	2,356	513
Bank charges	2,581	2,537
Legal and professional costs	12,385	17,017
Licences and permits	181	1,125
Credit card charges	6,207	1,156
	<hr/>	<hr/>
	201,419	289,102
Other		
Depreciation of tangible assets	249,495	219,679
Depreciation of heritage assets	62,627	62,136
	<hr/>	<hr/>
	312,122	281,815
Governance costs		
Auditors' remuneration	2,400	2,300
Auditors' remuneration for non audit work	2,506	1,850
	<hr/>	<hr/>
	4,906	4,150
Total resources expended	<hr/>	<hr/>
	691,215	777,995
Net (expenditure)/income	<hr/>	<hr/>
	<u>(100,533)</u>	<u>716,452</u>



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