

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

**Report of the Trustees and
Financial Statements for the Year Ended
31 March 2019
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

**Contents of the Financial Statements
for the Year Ended 31 March 2019**

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10 to 12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15 to 23
Detailed Statement of Financial Activities	24 to 25

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2019

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 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and aims

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

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

Significant activities

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

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

The trustees and staff are now working to ensure that Cardigan Castle can be fully sustainable, generating sufficient revenues to provide a strong heritage and educational experience while also maintaining the fabric of the heritage asset.

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

Public benefit

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

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

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

Heritage

Visitor numbers in 2017/18 were boosted by the publicity surrounding the winning of Channel 4's Restoration of the Year Programme. Income from admissions reduced slightly in 2018/19, but continues at an encouragingly high level. Visitors come from far and wide to see the restoration and to learn more about the site's unique history. Earlier this year a new working partnership with Cruise Wales ensured that Cardigan Castle is included in the itinerary for visitors from Cruise Ships docking at Fishguard.

The castle has established further links with heritage and cultural organisations in Wales. A collaboration with the Royal Commission on the Ancient and Historical Monuments of Wales has secured a number of exhibitions this year including the recent Britain from Above. The site also continues to host locally focused talks by Glen Johnson.

Tours of the site remain a key attraction including themed events such as the annual Easter Egg Hunt, the Nature Trail and Halloween Tours.

Language & Culture

Partnerships with Nant Gwrtheyrn and Aberystwyth University have placed Cardigan Castle at the forefront of Welsh language education courses for adults. These courses provide a sustainable income that is in keeping with the values of the site. Weekly Welsh for Adults classes continue to be held in Tŷ Cadwgan with the Nant Gwrtheyrn Welsh Residential Courses proving successful once again.

Our partnership with Theatr Mwldan has continued to bring a range of cultural and entertainment events to the castle that allows a broader demographic to make use of the site. The diversity of the programme ensures that the castle's charitable activities reach all sections of the population. The Summer at the Castle programme was the most successful to date and included sell out audiences for KT Tunstall, ABBA and Motown evenings along with a new Outdoor Cinema offering. This year's Illyria performances included some that specifically targeted younger audiences, while the Castle also worked with "Mewn Cymeriad" to put on five bilingual/Welsh medium historical characters performances for families.

In addition the Castle has trialled Welsh music evenings on a smaller scale featuring popular bands such as Ail Symudiad and more recently Candelas.

The castle has also continued to facilitate local clubs and societies whose activities include harp music for children and young adults, sewing, poetry, photography and genealogy.

Local Community

Cardigan Castle is committed to being a focal point for the local community, During the reporting period and in Summer 2019, the Castle has hosted local events including Cardigan's Annual Lantern Parade and, for the first time during August, the Castle co-hosted the Cardigan River and Food Festival in partnership with Menter Aberteifi. The Castle was also pleased to work with CERED to host the town's first St David's Day Parade ceremony. The charity has taken a long lease on the Brioude Garden, adjoining the Castle, and has upgraded the seating and paving for the benefit of local residents and visitors.

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

The charity is immensely grateful to the strong team of volunteers who work to keep the castle going and to enhance visitor experience and understanding of the site. Volunteer hours have continued at a high level and those who choose to give their time can do so in a wide variety of roles. Work has recently started with CERED to further promote volunteering opportunities at the Castle. New volunteers are always very welcome.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2019

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Education

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

FINANCIAL REVIEW

Financial position

During 2018/19 the trust made further progress towards achieving its objective of financial self-sufficiency. The headline loss of £216,037 was struck after a non-cash depreciation charge in excess of £250,000, so in cash terms (and helped by grants to support running costs) the trust achieved a small surplus. Fixtures and Fittings with an original cost of more than £1m have now been written down to a value of less than £61,000, yet some of these assets have many years of useful life ahead of them. The non-cash charge for depreciation is likely to fall significantly in future years.

Visitor numbers continued at a high level during 2018/19 and accommodation recorded an even stronger performance than in 2017/18. The trust's income from 1176 was virtually unchanged. Restoration work neared completion, with investment in fixed assets reducing to £35,138. Grant income is declining in parallel with lower restoration activity, falling from £208,318 to £80,651. Cash operating costs were kept under tight control and showed little overall change.

The trust's trading subsidiary, Cardigan Castle Enterprises Ltd, had another strong year and will be in a position to make a donation of £77,291 to the trust before the end of December 2019.

Reserves policy

The trust has £8,879,384 of restricted reserves reflecting the heavy investment in heritage assets in recent years. As described in the Financial Review, grant receipts of £80,651 during the year under review enabled the trust to generate a small cash surplus and helped to boost unrestricted reserves to £534,209 at 31 March 2019. The trustees consider unrestricted reserves to be at a satisfactory level in relation to annual costs.

FUTURE PLANNING

Financial sustainability will remain a primary focus of the Trust. Costs are being controlled and operating income has shown a further increase in the 2019/20 financial year to date, with a significant improvement in revenues from a successful series of events and entertainments. The events sub-committee is working to expand Cardigan Castle's heritage and cultural activities in order to attract return visitors.

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

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 2018/19, Cardigan Castle Enterprises Ltd made a profit of £77,291 and this will be donated to the trust before the end of the calendar year in order to support its charitable activities.

Cadwgan Building Preservation Trust

Report of the Trustees for the Year Ended 31 March 2019

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.

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

Cadwgan Building Preservation Trust

**Report of the Trustees
for the Year Ended 31 March 2019**

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

G Lloyd - resigned 26.06.2018

Mrs EN Davies

JC Davies

AM Reed

CS Hewitt

K Taylor

BJ Barrett

DRW Evans - appointed 26.06.2018

Company Secretary

J Timms

Auditors

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

REFERENCE AND ADMINISTRATIVE DETAILS

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 2019**

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

AUDITORS

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

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

.....
J Timms - Secretary

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

Opinion

We have audited the financial statements of Cadwgan Building Preservation Trust (the 'charitable company') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 21 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Responsibilities of trustees

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

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

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

Cadwgan Building Preservation Trust

**Statement of Financial Activities
for the Year Ended 31 March 2019**

		Unrestricted fund	Restricted fund	31.3.19 Total funds	31.3.18 Total funds
	Notes	£	£	£	£
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	6,485	-	6,485	11,529
Charitable activities	5				
Castle renovation		72,885	80,650	153,535	287,294
Other trading activities	3	249,285	-	249,285	246,328
Investment income	4	<u>167</u>	<u>-</u>	<u>167</u>	<u>245</u>
Total		328,822	80,650	409,472	545,396
 EXPENDITURE ON					
Raising funds	6	116,781	-	116,781	126,040
Charitable activities	7				
Castle renovation		<u>112,268</u>	<u>396,460</u>	<u>508,728</u>	<u>561,604</u>
Total		<u>229,049</u>	<u>396,460</u>	<u>625,509</u>	<u>687,644</u>
NET INCOME/(EXPENDITURE)		99,773	(315,810)	(216,037)	(142,248)
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>434,436</u>	<u>9,195,194</u>	<u>9,629,630</u>	<u>9,771,878</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>534,209</u></u>	<u><u>8,879,384</u></u>	<u><u>9,413,593</u></u>	<u><u>9,629,630</u></u>

The notes form part of these financial statements

Cadwgan Building Preservation Trust

**Balance Sheet - Consolidated
At 31 March 2019**

		Unrestricted fund	Restricted fund	31.3.19 Total funds	31.3.18 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	14	3,237	1,352,555	1,355,792	1,511,188
Heritage assets	15	<u>-</u>	<u>7,699,671</u>	<u>7,699,671</u>	<u>7,761,541</u>
		3,237	9,052,226	9,055,463	9,272,729
CURRENT ASSETS					
Stocks	16	17,316	-	17,316	15,902
Debtors	17	78,204	-	78,204	40,652
Cash at bank and in hand		<u>506,047</u>	<u>-</u>	<u>506,047</u>	<u>513,634</u>
		601,567	-	601,567	570,188
CREDITORS					
Amounts falling due within one year	18	(70,595)	(172,842)	(243,437)	(213,287)
NET CURRENT ASSETS/(LIABILITIES)					
		<u>530,972</u>	<u>(172,842)</u>	<u>358,130</u>	<u>356,901</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>534,209</u>	8,879,384	9,413,593	9,629,630
NET ASSETS					
		<u><u>534,209</u></u>	<u><u>8,879,384</u></u>	<u><u>9,413,593</u></u>	<u><u>9,629,630</u></u>
FUNDS					
Unrestricted funds	19			534,209	434,436
Restricted funds				<u>8,879,384</u>	<u>9,195,194</u>
TOTAL FUNDS					
				<u><u>9,413,593</u></u>	<u><u>9,629,630</u></u>

The notes form part of these financial statements

Cadwgan Building Preservation Trust

**Balance Sheet - Charity
At 31 March 2019**

		Unrestricted fund	Restricted fund	31.3.19 Total funds	31.3.18 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	14	-	1,352,555	1,352,555	1,506,872
Heritage assets	15	-	<u>7,699,671</u>	<u>7,699,671</u>	<u>7,761,541</u>
		-	9,052,226	9,052,226	9,268,413
CURRENT ASSETS					
Debtors	17	350,864	-	350,864	343,126
Cash at bank and in hand		<u>213,534</u>	-	<u>213,534</u>	<u>140,099</u>
		564,398	-	564,398	483,225
CREDITORS					
Amounts falling due within one year	18	(2,276)	(174,087)	(176,363)	(83,422)
		<u>562,122</u>	<u>(174,087)</u>	<u>388,035</u>	<u>399,803</u>
NET CURRENT ASSETS/(LIABILITIES)					
		562,122	8,878,139	9,440,261	9,668,216
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>562,122</u>	<u>8,878,139</u>	<u>9,440,261</u>	<u>9,668,216</u>
NET ASSETS					
		<u>562,122</u>	<u>8,878,139</u>	<u>9,440,261</u>	<u>9,668,216</u>
FUNDS					
Unrestricted funds	19			562,122	480,737
Restricted funds				<u>8,878,139</u>	<u>9,187,479</u>
TOTAL FUNDS					
				<u>9,440,261</u>	<u>9,668,216</u>

The notes form part of these financial statements

Cadwgan Building Preservation Trust

Balance Sheet - continued
At 31 March 2019

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2019.

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 provisions applicable to charitable companies subject to the small companies regime.

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 2019**

	Notes	31.3.19 £	31.3.18 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(72,238)</u>	<u>208,180</u>
Net cash provided by (used in) operating activities		<u>(72,238)</u>	<u>208,180</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(34,913)	(70,249)
Purchase of heritage assets		(225)	(58,361)
Interest received		<u>167</u>	<u>245</u>
Net cash provided by (used in) investing activities		<u>(34,971)</u>	<u>(128,365)</u>
 Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	2	<u>440,416</u>	<u>360,601</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>333,207</u></u>	<u><u>440,416</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 2019**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.3.19 £	31.3.18 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(216,037)	(142,248)
Adjustments for:		
Depreciation charges	252,404	314,349
Interest received	(167)	(245)
(Increase)/decrease in stocks	(1,414)	4,080
(Increase)/decrease in debtors	(37,552)	107,538
Decrease in creditors	<u>(69,472)</u>	<u>(75,294)</u>
Net cash provided by (used in) operating activities	<u>(72,238)</u>	<u>208,180</u>
2. ANALYSIS OF CASH AND CASH EQUIVALENTS	31.3.19 £	31.3.18 £
Cash in hand	15,058	3,257
Notice deposits (less than 3 months)	490,989	510,377
Overdrafts included in bank loans and overdrafts falling due within one year	<u>(172,840)</u>	<u>(73,218)</u>
Total cash and cash equivalents	<u>333,207</u>	<u>440,416</u>

Cadwgan Building Preservation Trust

Notes to the Financial Statements for the Year Ended 31 March 2019

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 2019**

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

	31.3.19	31.3.18
	£	£
Donations	6,484	9,529
Cardigan Town Council	<u>-</u>	<u>2,000</u>
	<u>6,484</u>	<u>11,529</u>

3. OTHER TRADING ACTIVITIES

	31.3.19	31.3.18
	£	£
Shop income	13,642	17,835
Room hire	29,559	29,901
Rental income	7,500	7,500
Events income	5,287	4,371
1176 income	25,614	25,631
Accommodation	163,877	142,331
Other sales	<u>3,806</u>	<u>18,759</u>
	<u>249,285</u>	<u>246,328</u>

4. INVESTMENT INCOME

	31.3.19	31.3.18
	£	£
Bank account interest	<u>167</u>	<u>245</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		31.3.19	31.3.18
	Activity	£	£
Admissions	Castle renovation	69,040	75,644
Memberships	Castle renovation	-	405
Educational tours and courses	Castle renovation	3,845	2,927
Other Grants	Castle renovation	18,924	6,751
Heritage Lottery Fund	Castle renovation	<u>61,727</u>	<u>201,567</u>
		<u>153,536</u>	<u>287,294</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

6. RAISING FUNDS

Other trading activities

	31.3.19	31.3.18
	£	£
Purchases	7,396	14,390
Staff costs	28,973	31,868
Bad debts	651	-
Accommodation expenses	51,132	43,330
Events expenses	5,131	5,599
Licences and permits	762	780
Other trading expenses	17,857	12,438
Marketing and publicity	<u>4,879</u>	<u>17,635</u>
	<u>116,781</u>	<u>126,040</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Castle renovation	<u>30,015</u>	<u>478,713</u>	<u>508,728</u>

8. SUPPORT COSTS

	Management	Other	Governance costs	Totals
	£	£	£	£
Castle renovation	<u>221,719</u>	<u>252,404</u>	<u>4,590</u>	<u>478,713</u>

9. NET INCOME/(EXPENDITURE)

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

	31.3.19	31.3.18
	£	£
Auditors' remuneration	2,400	2,400
Auditors' remuneration for non audit work	2,190	2,160
Depreciation – Tangible assets	190,309	251,756
Heritage assets	<u>62,094</u>	<u>62,593</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2019 nor for the year ended 31 March 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2019 nor for the year ended 31 March 2018.

11. STAFF COSTS

	31.3.19 £	31.3.18 £
Wages and salaries	162,745	159,250
Social security costs	<u>9,244</u>	<u>7,941</u>
	<u>171,989</u>	<u>167,191</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>	

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	11,528	1	11,529
Charitable activities			
Castle renovation	78,976	208,318	287,294
Other trading activities	246,328	-	246,328
Investment income	<u>245</u>	<u>-</u>	<u>245</u>
Total	337,077	208,319	545,396
 EXPENDITURE ON			
Raising funds	126,040	-	126,040
Charitable activities			
Castle renovation	<u>71,645</u>	<u>489,959</u>	<u>561,604</u>
Total	<u>197,685</u>	<u>489,959</u>	<u>687,644</u>
 NET INCOME/(EXPENDITURE)	139,392	(281,640)	(142,248)

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted fund £	Total funds £
RECONCILIATION OF FUNDS			
Total funds brought forward	295,043	9,476,835	9,771,878
	<hr/>	<hr/>	<hr/>
TOTAL FUNDS CARRIED FORWARD	<u>434,435</u>	<u>9,195,195</u>	<u>9,629,630</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:

	31.03.19 £	31.03.18 £
Turnover	241,785	238,828
Cost of sales	82,278	76,537
Overheads	82,216	85,648
Interest received	-	-
Net (deficit)/surplus before donation to the Charity	<u>77,291</u>	<u>76,643</u>
Donation to the Charity	<u>77,291</u>	<u>76,643</u>

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2018	1,251,889	56,865	1,016,202	2,324,956
Additions	<u>23,067</u>	<u>4,372</u>	<u>7,474</u>	<u>34,913</u>
At 31 March 2019	<u>1,274,956</u>	<u>61,237</u>	<u>1,023,676</u>	<u>2,359,869</u>
DEPRECIATION				
At 1 April 2018	-	34,644	779,124	813,768
Charge for year	<u>-</u>	<u>6,648</u>	<u>183,661</u>	<u>190,309</u>
At 31 March 2019	<u>-</u>	<u>41,292</u>	<u>962,785</u>	<u>1,004,077</u>
NET BOOK VALUE				
At 31 March 2019	<u>1,274,956</u>	<u>19,945</u>	<u>60,891</u>	<u>1,355,792</u>
At 31 March 2018	<u>1,251,889</u>	<u>22,221</u>	<u>237,078</u>	<u>1,511,188</u>

Included in cost or valuation of land and buildings is freehold land of £1,274,956 (2018 - £1,251,889) which is not depreciated.

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

14. TANGIBLE FIXED ASSETS - continued

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

Included in tangible assets are fixtures and fittings held by the subsidiary company, Cardigan Castle Enterprise Ltd with a net book value of £3,237 (2018 - £4,316)

15. HERITAGE ASSETS

	Total £
COST	
At 1 April 2018	8,008,783
Restoration work done in the year	<u>225</u>
At 31 March 2019	8,009,008
DEPRECIATION	
At 1 April 2018	247,243
Depreciation charge for the year	<u>62,094</u>
At 31 March 2019	309,337
 NET BOOK VALUE	
At 31 March 2019	<u><u>7,699,671</u></u>
At 31 March 2018	<u><u>7,761,541</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

	31.3.19 £	31.3.18 £
Stocks	<u><u>17,316</u></u>	<u><u>15,902</u></u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19 £	31.3.18 £	31.3.19 £	31.3.18 £
	Group	Group	Charity	Charity
Trade debtors	36,060	17,518	-	-
Other debtors	30,235	11,954	30,235	11,954
Prepayments	11,909	11,180	11,909	11,180
Cardigan Castle Enterprises	-	-	308,720	319,992
	<u>78,204</u>	<u>40,652</u>	<u>350,864</u>	<u>343,126</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19 £	31.3.18 £	31.3.19 £	31.3.18 £
	Group	Group	Charity	Charity
Social security and other taxes	2,276	2,488	2,276	2,488
Other creditors	30,952	87,313	-	-
Accrued expenses	30,848	47,481	1,247	7,715
VAT	6,521	2,787	-	-
Bank	172,840	73,218	172,840	73,218
	<u>243,437</u>	<u>213,287</u>	<u>176,363</u>	<u>83,422</u>

19. MOVEMENT IN FUNDS

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

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

19. MOVEMENT IN FUNDS - continued

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

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

Comparatives for movement in funds

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

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

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

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

	At 1.4.17 £	Net movement in funds £	At 31.3.19 £
Unrestricted funds			
General fund	295,043	239,166	534,209
Restricted funds			
Restricted	<u>9,476,835</u>	<u>(597,451)</u>	<u>8,879,384</u>
TOTAL FUNDS	<u>9,771,878</u>	<u>(358,285)</u>	<u>9,413,593</u>

Cadwgan Building Preservation Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 March 2019**

19. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	665,899	(426,733)	239,166
Restricted funds			
Restricted	<u>288,969</u>	<u>(886,420)</u>	<u>(597,451)</u>
TOTAL FUNDS	<u>954,868</u>	<u>(1,313,153)</u>	<u>(358,285)</u>

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2019.

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 2019**

	31.3.19 £	31.3.18 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	6,484	9,529
Cardigan Town Council	<u>-</u>	<u>2,000</u>
	6,484	11,529
Other trading activities		
Shop income	13,642	17,835
Room hire	29,559	29,901
Rental income	7,500	7,500
Events income	5,287	4,371
1176 income	25,614	25,631
Accommodation	163,877	142,331
Other sales	<u>3,806</u>	<u>18,759</u>
	249,285	246,328
Investment income		
Bank account interest	167	245
Charitable activities		
Admissions	69,040	75,644
Memberships	-	405
Educational tours and courses	3,845	2,927
Other Grants	18,924	6,751
Heritage Lottery Fund	<u>61,727</u>	<u>201,567</u>
	<u>153,536</u>	<u>287,294</u>
Total incoming resources	409,472	545,396
EXPENDITURE		
Other trading activities		
Purchases	7,396	14,390
Wages	27,625	30,378
Social security	1,070	1,237
Pensions	278	253
Bad debts	651	-
Accommodation expenses	51,132	43,330
Events expenses	5,131	5,599
Licences and permits	762	780
Other trading expenses	17,857	12,438
Marketing and publicity	<u>4,879</u>	<u>17,635</u>
	116,781	126,040

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 2019

	31.3.19	31.3.18
	£	£
Charitable activities		
Professional fees	5,079	10,872
Repairs and renewals	2,374	3,244
Marketing and publicity	20,000	21,296
Gardening expenses	<u>2,562</u>	<u>4,477</u>
	30,015	39,889
Support costs		
Management		
Wages	135,120	128,872
Social security	8,174	6,705
Pension	1,841	1,584
Rates and water	8,686	9,131
Insurance	5,742	6,812
Light and heat	39,400	16,275
Office costs	9,091	10,158
Sundries	3,891	-
Cleaning and waste disposal	2,210	2,386
Staff recruitment and training	1,283	5,695
Travel and subsistence	631	4,858
Bank charges	867	1,596
Legal and professional costs	1,800	3,420
Credit card charges	<u>2,983</u>	<u>5,314</u>
	221,719	202,806
Other		
Depreciation of tangible assets	190,310	251,756
Depreciation of heritage assets	<u>62,094</u>	<u>62,593</u>
	252,404	314,349
Governance costs		
Auditors' remuneration	2,400	2,400
Auditors' remuneration for non audit work	<u>2,190</u>	<u>2,160</u>
	4,590	4,560
Total resources expended	625,509	687,644
Net expenditure	<u>(216,037)</u>	<u>(142,248)</u>

