

THE CAISTER CASTLE TRUST

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2021**

THE CAISTER CASTLE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr PJSR Hill Mr P Wood Mr T R Hill Mrs MDR Randall
Charity number	1067178
Principal address	6A King Street Melton Mowbray Leicestershire LE13 1XA
Auditor	Newby Castleman LLP West Walk Building 110 Regent Road Leicester LE1 7LT
Bankers	Lloyds Bank Plc PO Box 33 7 High Street Leicester LE1 9FS
Solicitors	Cozens - Hardy LLP Castle Chambers Opie Street Norwich NR1 3DP
Investment advisors	Brewin Dolphin Waterfront House Waterfont Plaza 35 Station Street Nottingham NG2 3DQ

THE CAISTER CASTLE TRUST

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THE CAISTER CASTLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees of The Caister Castle Trust ("the Charity") are pleased to present their annual report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities": Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 (2019).

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the regulations but which has since been withdrawn.

Objectives and activities

The key objectives of the charity are:

- To promote the education of the public concerning the history of motoring and to exhibit to the public historic motor vehicles, documents, photographs, artefacts and other exhibits in connection with the history of motoring including but not limited to those forming part of the collection;
- To promote the history of motoring both in Great Britain and internationally for the benefit of the public;
- To conserve for the benefit of the public historic motor vehicles, documents, photographs, artefacts and other exhibits connected with the history of motoring.

The Charity operates from exhibition facilities at Caister Castle, West Caister, Norfolk and is open to the public 6 days a week during the summer months for 20 weeks. The facilities house many fine rare veteran, vintage, classic, sports and touring automobiles and motorcycles. Caister Castle is currently home to the largest private collection of motor vehicles in Britain. Looking ahead, the Charity aims to maintain and improve facilities and exhibits as opportunities arise.

Public Benefit

In formulating and applying these objectives, the Trustees have regard to the guidance of the Charity Commission on Public Benefit.

The Charity meets the public benefit requirements through: affordable admission prices meaning the exhibition halls and other facilities are accessible to all; promoting the education of the public concerning the history of motoring; and conserving, for the benefit of the public, historic motor vehicles. Public awareness is achieved by advertising and its website, to enable as many members of the public to gain access to the collection.

Achievements and performance

Each year, the Trustees monitor the number of visitors to the exhibitions and consider the number attending in 2021 to be satisfactory. The Trustees are continually vigilant for new vehicle acquisitions to compliment the existing exhibits with vehicle acquisitions and on-going restorations of significant vehicles in the collection. The exhibition halls and other facilities are improved and extended according to requirements. The Trustees are continually monitoring long term strategic aims, to assist with future planning.

Financial review

The results for the year ended 31 December 2021 are set out in the statement of financial activities on page 8, which the Trustees consider to be satisfactory. The Trustees consider the results to be acceptable with total income decreasing to £660,822 (2020 - £845,681), total expenditure increasing to £590,858 (2020 - £557,100), gains on investments were £1,883,548 (2020 - £53,963 loss) and the net increase in funds was £1,953,512 (2020 - £234,618).

The principal sources of income include entrance fees to the exhibitions, and annual income from investments. The Trustees regularly review the organisational health of the charity and seek to achieve a surplus to enable implementation of the charities aims.

Regular maintenance programmes and responsive repairs are continued throughout the year to ensure the integrity of the exhibition halls and other facilities and its heritage assets.

THE CAISTER CASTLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

In the comparative period the coronavirus (COVID-19) pandemic prevented the exhibition halls and other facilities from opening to the public in Spring 2020. It reopened in July 2020 in accordance with government guidelines. The final impact caused revenue from museum admissions to decrease as it was only open for 12 compared to the usual 20 weeks. The exhibition halls and other facilities were open for the full 20 weeks in the current year and so have returned to a more normal level of activity. At 31 December 2020 both the property and listed investment market were volatile to the government restrictions imposed as a result of the pandemic. There was no significant impact on other income streams, but some cost savings were obtained.

Reserves policy

It is the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level at least equivalent to twelve month's expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Total funds carried forward at 31 December 2021 were £26,618,731. All of the funds of the Charity are required for the operation and development of the Trust. The Trustees consider all of the reserves of the Trust to be unrestricted. The Trustees consider the net current assets of the Charity, excluding those assets held for the long term, to be free reserves. The level of free reserves is, therefore, in the order of £1,609,686, which equates to the net current assets, shown on the balance sheet on page 9, excluding the investment properties held for sale.

There are items of substantial expenditure, both contemplated and in hand, including land acquisition and improvement to facilities as required. The Trustees will retain sufficient free reserves, following the development projects, to cover operating costs for the foreseeable future. As set out earlier in this report, the Trustees are continually enhancing the exhibits and improving the buildings, which will result in a consequent increase in the costs of operations. It is with these plans in mind that the Trustees consider it necessary to maintain the current level of free reserves until such time as these developments are expended, and the annual increased operating costs are known with more certainty.

Investment policy

There is no restriction on the Trustees' power to invest. The Trustees are aware of their responsibility to ensure that a satisfactory return is obtained from the Charity's assets.

It is the current policy of the Trustees to hold surplus funds in interest bearing bank accounts where possible, and other investments in order to minimise risk, with an emphasis on capital preservation.

Risk management

The Trustees regularly review the major risks to which the Charity is exposed. During the year, the Trustees have considered these risks and believe that satisfactory controls are in place to mitigate them to an acceptable level. In the light of the current financial climate, the Trustees have considered the specific risks involved with income, assets and public liabilities.

Income risk

The Charity is less dependent now on the continued funding from income from public admissions which could clearly increase or decrease in any period. Rental and investment income are expected to be sources of additional funding in the future years, and should be sufficient to cover expenditure.

Asset risk

The Charity has significant value within its tangible fixed assets and investments. These are continually maintained by the Charity. The Trustees consider the spread and risk associated with its various investments, and the Charity maintains a diversified portfolio with the objective of managing the risk associated with them.

Public liabilities

The Charity recognises its duty to the public viewing the exhibition, and all reasonable steps are taken to safeguard their visits.

THE CAISTER CASTLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management

Caister Castle Trust is a registered Charity (number 1067178) which was formed as a Trust on 6 January 1998 by Deed of Declaration of Trust. The Trust is governed by a Board of Trustees. Mr PJSR Hill has been assigned the day to day management of the Charity on behalf of the Trustees. However, key decisions of the Trust relating to the activities and financial performance are taken by the Trustees as a whole.

Governing Body and Appointment of Trustees

The structure of the Charity consists of one set of Trustees. The board of Trustees is authorised to appoint new Trustees to fill vacancies arising through resignation or death of an existing Trustee.

Trustee Education and Training

New Trustees will undergo an orientation day to brief them on their legal obligations under the Charities Act, the committee and decision making processes, future plans and the recent financial performance of the charity. Trustees will be encouraged to attend appropriate external training events where these will facilitate the undertaking of the role.

The power of appointing new Trustees vests in the continuing Trustees within the terms of the Deed of Declaration of Trust.

Mr PJSR Hill acts as a director for a number of the Trust's subsidiary companies and significant undertakings. These are listed in notes 18 and 19.

The Trustees who served during the year were:

Mr PJSR Hill

Mr P Wood

Mr T R Hill

Mrs MDR Randall

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year. In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

THE CAISTER CASTLE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees are responsible for keeping proper adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charity's auditor is unaware, and
- each Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the Trust's auditor in connection with preparing its report and to establish that the Trust and the Trust's auditor is aware of that information.

The Trustees' report was approved by the Board of Trustees.

Mr PJSR Hill

Trustee

Dated: 15 October 2022

THE CAISTER CASTLE TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE CAISTER CASTLE TRUST

Opinion

We have audited the financial statements of The Caister Castle Trust (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity 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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 course of 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 themselves. 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.

THE CAISTER CASTLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CAISTER CASTLE TRUST

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation where the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- the charity 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 Trustees' Responsibilities Statement set out on pages 3-4, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity'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 cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. However, responsibility for the prevention and detection of fraud ultimately rests with both those charged with governance and management of the charity.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charity by considering the nature of the industry in which the charity operates and enquiring of management; and
- identifying the key laws and regulations considered to have a direct impact on the financial statements including the UK Charities Act 2011 and UK Generally Accepted Accounting Practice; and
- assessing how the charity is complying with the applicable legal and regulatory framework by making further enquiries of management and observing the company's control environment regarding compliance with regulations and fraud prevention; and
- assessing the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by considering the effectiveness of the charity's accounting systems and controls and how these were monitored by management. Where the risk of material misstatement was considered to be higher in certain areas, further audit procedures were designed to address this increased risk; and
- discussing amongst the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

THE CAISTER CASTLE TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE CAISTER CASTLE TRUST

Audit response to risks of irregularities identified

Our procedures to respond to risks identified included the following:

- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- enquiry of charity staff responsible for compliance to identify any instances of non-compliance with laws and regulations; and
- reviewing supporting documentation confirming compliance with specific laws and regulations considered central to the ability of the company to operate; and
- enquiry of management, those charged with governance and other relevant parties around actual and potential litigation claims; and
- reviewing supporting documentation regarding actual and potential litigation claims; and
- reviewing minutes of meetings of those charged with governance; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and
- communicating identified laws and regulations and potential fraud risks to all engagement team members and assessing whether there are any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%e2%80%99s-responsibilities-for>. This description forms part of our auditor's report.

Other matters

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Newby Castleman LLP

Chartered Accountants
Statutory Auditor
West Walk Building
110 Regent Road
Leicester, LE1 7LT

26 October 2022

Newby Castleman LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE CAISTER CASTLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
	Notes	£	£
Income from:			
Donations	3	126,347	412,836
Charitable activities	4	170,835	85,183
Investments	5	351,775	342,115
Other income	6	11,865	5,547
Total		660,822	845,681
Expenditure on:			
Raising funds	7	216,167	184,834
Charitable activities	8	374,691	372,266
Total		590,858	557,100
Net gains / (losses) on investments	13	1,883,548	(53,963)
Net income for the year/net movement in funds		1,953,512	234,618
Reconciliation of funds			
Total funds brought forward		24,665,219	24,430,601
Total funds carried forward		26,618,731	24,665,219

All income and expenditure derive from continuing activities.

All income and expenditure in the current and prior period is unrestricted.

THE CAISTER CASTLE TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	14	3,089,873		3,117,056	
Heritage assets	15	1,253,559		1,179,423	
Investment properties	16	14,193,698		14,113,374	
Investments	17	4,804,415		3,586,500	
		<u>23,341,545</u>		<u>21,996,353</u>	
Current assets					
Stocks	20	1,370		1,370	
Debtors	21	369,851		2,101,063	
Investments	22	1,667,500		-	
Cash at bank and in hand		1,316,460		620,337	
		<u>3,355,181</u>		<u>2,722,770</u>	
Creditors: amounts falling due within one year	23	<u>(77,995)</u>		<u>(53,904)</u>	
Net current assets		3,277,186		2,668,866	
Net assets		<u>26,618,731</u>		<u>24,665,219</u>	
Charity funds					
Unrestricted funds		26,618,731		24,665,219	
Total charity funds		<u>26,618,731</u>		<u>24,665,219</u>	

The financial statements were approved and authorised by the board of trustees on 15 October 2022 and are signed on its behalf by:

Mr PJSR Hill
Trustee

The notes on pages 11 - 24 form part of these financial statements.

THE CAISTER CASTLE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	26		1,552,598		44,004
Investing activities					
Purchase of tangible fixed assets		(51,923)		(42,488)	
Purchase of heritage assets		(74,136)		(128,911)	
Purchase of investment property		(78,909)		(196,519)	
Purchase of other investments		(1,117,845)		(537,669)	
Proceeds on disposal of other investments		114,563		564,370	
Investment income		351,775		342,115	
Net cash (used in)/generated from investing activities			(856,475)		898
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			696,123		44,902
Cash and cash equivalents at beginning of year			620,337		575,435
Cash and cash equivalents at end of year			1,316,460		620,337

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

The Caister Castle Trust is governed by its Constitution.

1.1 Basis of preparation

The charity is a public benefit entity as defined by FRS102. These financial statements have been prepared in accordance with: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: the Statement of Recommended Practice for charities applying FRS 102 (2019), the Charities Act 2011, and UK Generally Accepted Accounting Practice.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and listed investments at fair value. The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Consolidated financial statements have not been prepared, because the aggregate gross income is below the consolidation threshold.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations from subsidiary undertakings and participating interests are recognised on an accruals basis, once the charity has been notified of the donation.

Income from charitable activities includes admission receipts and shop sales from the motor museum and is recognised on a receipts basis as the related goods and services are provided.

Investment income is earned through holding assets for investment purposes. It comprises rental income and farming income which are recognised on an accruals basis, as well as dividend income.

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category. Expenditure is recognised when there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. It is recognised under the following headings:

- Costs of raising funds includes costs incurred in seeking donations, legacies, as well as managing investments.
- Expenditure on charitable activities notably includes costs to further the delivery of the objectives of the charity.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

1.6 Support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and costs of raising funds and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Support costs are allocated to costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 10.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold land & buildings	Over the life of the lease
Freehold buildings	50 years
Equipment	5 years

Freehold land is not depreciated.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities ("SOFA").

1.9 Heritage assets

In accordance with its objectives, the Trust holds a collection of veteran, vintage and classic vehicles. Only the vehicles for which reliable historic information is available for cost or valuation have been recognised on the balance sheet of The Caister Castle Trust. The remaining vehicles have not been recognised on the balance sheet as there is no reliable historic information available to confirm the cost or valuation. The Trustees believe no accurate valuation can be placed on these assets because of their unique nature.

The collection is held in exhibition halls within the trust, and the cost of maintenance is charged through the statement of financial activities. The exhibition halls and other facilities are open to the public 6 days a week during the summer months.

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Fixed asset investments

Listed investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on market valuation and the disposals throughout the year, in respect of the holdings.

Unlisted investments, comprise investments in subsidiaries and associates, which were part of a legacy made to the Trust, are valued on the basis of their donated cost at the time of the donation less impairments to date.

1.11 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount in order to determine the extent of the impairment loss (if any). Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct material costs and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

1.13 Cash and cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Financial instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Debtors and creditors with no stated interest rate and receivable or payable within one year are measured at transaction price. Any losses arising from impairment are recognised in the SOFA.

1.15 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period. If the revision affects both current and future periods they will be recognised accordingly.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of investment property

The valuation of investment properties are reassessed annually by the trustees and, when necessary, amended to reflect current estimates.

3 Income from donations

	Unrestricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Total 2020 £
Donations from subsidiary undertakings and participating interests	126,347	126,347	412,836	412,836

4 Income from charitable activities

	Unrestricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Total 2020 £
Admission receipts and shop sales	170,835	170,835	85,183	85,183

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Income from investments

	Unrestricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Total 2020 £
Rental income	273,376	273,376	273,887	273,887
Dividend income	26,006	26,006	18,488	18,488
Farming income	52,393	52,393	49,730	49,730
Interest receivable	-	-	10	10
	<u>351,775</u>	<u>351,775</u>	<u>342,115</u>	<u>342,115</u>

6 Other income

	Unrestricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Total 2020 £
Sale of labour costs	3,731	3,731	2,338	2,338
Insurance recharged out	7,896	7,896	2,999	2,999
Promotional income	238	238	210	210
	<u>11,865</u>	<u>11,865</u>	<u>5,547</u>	<u>5,547</u>

7 Expenditure on raising funds

	Unrestricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Total 2020 £
<u>Costs of raising funds</u>				
Cost of sales	2,291	2,291	1,169	1,169
Repairs and maintenance	16,264	16,264	28,710	28,710
Legal and professional	9,400	9,400	13,677	13,677
Advertising	4,735	4,735	7,151	7,151
Commission on rents	28,016	28,016	26,805	26,805
Share portfolio management	10,286	10,286	5,246	5,246
Other expenditure	14,021	14,021	10,435	10,435
Support costs (note 10)	131,154	131,154	91,641	91,641
	<u>216,167</u>	<u>216,167</u>	<u>184,834</u>	<u>184,834</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Expenditure on charitable activities

	Activities undertaken directly Note 9 £	Support Costs Note 10 £	Total 2021 £	Total 2020 £
Motor exhibition halls and other facilities	206,450	168,241	374,691	372,266

9 Expenditure on activities undertaken directly

	2021 £	2020 £
Labour costs	2,969	219
Property repairs and maintenance	104,654	82,472
Insurance	58,228	61,811
Rent and rates	8,524	7,693
Light and heat	9,357	7,558
Telephone	6,919	5,918
General	7,105	5,700
Repairs and maintenance to exhibits	-	12,545
Legal and professional	8,694	19,558
	206,450	203,474

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

10 Expenditure on support costs

	Basis of allocation	2021 £	2020 £
Staff costs	*2	187,206	146,402
Depreciation	*1	79,106	78,345
Accountancy and audit	*1	19,995	22,848
Motor expenses	*1	1,231	918
Travel	*1	876	265
Other expenses	*1	775	565
Admin expenses from Caister Castle Limited	*3	10,206	11,090
		<u>299,395</u>	<u>260,433</u>
Analysed between:			
Raising funds		131,154	91,641
Charitable activities		168,241	168,792
		<u>299,395</u>	<u>260,433</u>

*1 Costs have been allocated to charitable activities.

*2 Staff costs have been allocated as follows:

Raising funds - Wages costs recharged from Caister Castle Limited £120,948 (2020 - £80,551)
Charitable activities - Wages costs within the charity £66,258 (2020 - £65,581)

*3 Administrative expenses recharged from Caister Castle Limited have been allocated to raising funds.

The amount charged to the statement of financial activities in respect of auditor's remuneration was £19,995 (2020 - £22,848).

11 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, during the year or prior year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Employees

Number of employees

The average number employees during the year was:

	2021 Number	2020 Number
Office and management	5	5

Whilst the exhibition halls and other facilities are open, 11 (2020 - 10) employees of Caister Castle Limited work for the charity, their salary costs are recharged to the charity.

Employment costs	2021 £	2020 £
Wages and salaries	182,751	142,290
Social security costs	3,535	3,340
Other pension costs	920	772
	187,206	146,402

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains on investments

	2021 £	2020 £
Revaluation of investments	214,776	56,611
Gain/(loss) on sale of investments	(143)	12,941
Revaluation of investment properties	1,668,915	(123,515)
	1,883,548	(53,963)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Long leasehold land & buildings	Freehold buildings	Equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	643,000	2,836,865	139,926	3,619,791
Additions	-	36,391	15,532	51,923
At 31 December 2021	643,000	2,873,256	155,458	3,671,714
Depreciation and impairment				
At 1 January 2021	98,591	289,134	115,010	502,735
Depreciation charged in the year	8,573	54,575	15,958	79,106
At 31 December 2021	107,164	343,709	130,968	581,841
Carrying amount				
At 31 December 2021	535,836	2,529,547	24,490	3,089,873
At 31 December 2020	544,409	2,547,731	24,916	3,117,056

15 Heritage assets

	Museum exhibits £
At 1 January 2021	1,179,423
Additions	74,136
At 31 December 2021	1,253,559

The exhibition halls' exhibits comprise a collection of veteran, vintage and classic vehicles. Only vehicles where reliable historic information is available for cost or valuation have been recognised in the balance sheet. A significant proportion of the collection of vehicles are on loan from Parade Court Limited. No value has been included in the financial statements for this loan agreement because the value of the donated service is unquantifiable due to the nature of the transaction. The remainder of the collection has not been recognised on the balance sheet of The Caister Castle Trust because reliable historic information is unavailable to confirm cost or valuation. The Trustees believe no accurate valuation can be placed on these assets because of their unique nature.

Five year financial summary of heritage asset transactions

	2021 £	2020 £	2019 £	2018 £	2017 £
Additions	74,136	128,911	149,696	83,238	326,470
	74,136	128,911	149,696	83,238	326,470

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Investment property

	2021 £
Fair value	
At 1 January 2021	14,113,374
Additions	78,909
Transfers to held for sale	(1,667,500)
Net gains or losses through fair value adjustments	1,668,915
	<hr/>
At 31 December 2021	14,193,698
	<hr/> <hr/>

Investment property comprises of commercial land and rental property. The fair value of certain investment properties have been arrived at on the basis of valuations carried out by Geo Hallam & Sons in December 2021; Andrew Granger Chartered Surveyors in June 2022; Aldreds Estate Agents in May 2022 and Owen & Owen Chartered Surveyors in October 2021, none of which are not connected with the charity. The valuations were made on an open market value basis by reference to market evidence of transaction prices for similar properties. The fair value of other investment properties is stated at the trustees' valuation and has been guided by a previous external valuation as well as the trustees' knowledge and experience.

17 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
Cost or valuation			
At 31 December 2020	1,422,820	2,163,680	3,586,500
Additions	1,117,845	-	1,117,845
Valuation changes	214,776	-	214,776
Disposals	(114,706)	-	(114,706)
	<hr/>	<hr/>	<hr/>
At 31 December 2021	2,640,735	2,163,680	4,804,415
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2021	2,640,735	2,163,680	4,804,415
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2020	1,422,820	2,163,680	3,586,500
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Unlisted investments comprise investments in subsidiaries of £698,317 (2020 - £698,317) and investments in associates of £1,465,363 (2020 - £1,465,363).

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Subsidiaries

These financial statements are separate charity financial statements for Caister Castle Trust.

Details of the charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Caister Castle Limited	England and Wales	Supply of labour	Ordinary	100.00
Curnaseer Limited	England and Wales	Farming	Ordinary	100.00
Ferncombe Limited	England and Wales	Letting of property	Ordinary	100.00
Parade Court Limited	England and Wales	Letting of property	Ordinary	75.00
Wymondham Dairies Limited	England and Wales	Supply of labour	Ordinary	91.00

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Caister Castle Limited	-	(619)
Curnaseer Limited	6,637	245,146
Ferncombe Limited	(17,744)	145,838
Parade Court Limited	6,113	24,832
Wymondham Dairies Limited	5,678	30,618

The above companies have the following year ends; Caister Castle Limited - 31 December, Curnaseer Limited - 31 July, Ferncombe Limited - 31 October, Parade Court Limited - 31 October and Wymondham Dairies Limited - 30 November.

19 Significant undertakings

The charity also has significant holdings in undertakings which are not subsidiaries of the charity and are not classified as joint ventures or associated undertakings:

Name of undertaking

Goodfine Limited
Pikerace Limited
Scotsborough Castle Limited
Pool Hall Farm Limited

The above companies have the following year ends; Goodfine Limited - 31 July, Pikerace Limited - 31 July, Scotsborough Castle Limited - 5 April, and Pool Hall Farm Limited 31 July.

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,370	1,370

21 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	36,313	37,670
Amounts due from subsidiary undertakings	160,699	21,178
Other debtors	94,111	1,974,829
Prepayments and accrued income	78,728	67,386
	369,851	2,101,063

22 Assets held for sale

	2021 £	2020 £
Investment property held for sale	1,667,500	-

23 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	38,880	6,330
Other creditors	3,209	3,200
Accruals and deferred income	35,906	44,374
	77,995	53,904

Deferred income is included in the financial statements in respect of rent and insurance income received in advance of the period it relates to.

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

24 Related parties

During the year, the charity sold services to the following companies, of which Mr PJSR Hill is a director:

	2021 £	2020 £
Curnaseer Limited	701	723
Goodfine Limited	727	482
Pikerace Limited	701	723

During the year, the charity bought services from Caister Castle Limited totalling £131,154 (2020 - £91,641) and incurred labour costs from Wymondham Dairies Limited of £Nil (2020 - £217). During the year the company received rent from Wymondham Dairies Limited of £1,717 (2020 - £1,717) and from Curnaseer Limited of £1,020 (2020 - £1,020). The charity also received farming income from Curnaseer Limited of £14,184 (2020 - £15,238).

A significant proportion of the collection of vehicles is on loan from Parade Court Limited, a company which Mr PJSR Hill is also a director of. No value has been included in the financial statements for this loan agreement because the value of the donated service is unquantifiable due to the nature of the transaction.

During the year, the following companies, of which Mr PJSR Hill is a director, made donations to the charity:

	2021 £	2020 £
Goodfine Limited	53,969	2,839
Pikerace Limited	72,377	-
Parade Court Limited	-	409,997

Amounts due from related parties at the year end are as follows:

	2021 £	2020 £
Caister Castle Limited	30,547	14,533
Goodfine Limited	53,969	2,839
Pikerace Limited	72,377	-
Space Foods Limited	3,806	3,806
	160,699	21,178

During the year Pool Hall Farm was demerged from Pikerace Limited through a share for share exchange. There has been no change to the overall value to Caister Castle Trust just the allocation between Pikerace Limited and Pool Hall Farm Limited.

THE CAISTER CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

25 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees.

The charge to the SOFA in respect of defined contribution schemes is shown in note 12. This expenditure has been allocated to support costs and unrestricted funds.

26 Cash generated from operations	2021 £	2020 £
Surplus for the year	1,953,512	234,618
Adjustments for:		
Investment income recognised in statement of financial activities	(351,775)	(342,115)
Loss/(gain) on disposal of investments	143	(12,941)
Fair value gains and losses on investment properties	(1,668,915)	123,515
Fair value gains and losses on investments	(214,776)	(56,611)
Depreciation and impairment of tangible fixed assets	79,106	78,345
Movements in working capital:		
Decrease in debtors	1,731,212	8,846
Increase in creditors	24,091	10,347
Cash generated from operations	1,552,598	44,004