

HAY CASTLE TRUST

England & Wales · Charity number 1144524

Details

Other names	HAY CASTLE TRUST LIMITED
Status	Registered
Legal form	Charitable company
Company number	07639471
Registered	2011-11-03
Register	View on the Charity Commission register

Contact

Address	Hay Castle Oxford Road Hay-on-Wye Hereford HR3 5DG
Phone	01497820079
Email	info@haycastletrust.org
Website	www.haycastletrust.org

Activities

Objects: (1) To preserve Hay Castle and the land and buildings within Its curtilage, which are of historic, architectural or constructional Interest or exhibit craftsmanship worthy of preservation(2) To advance education on the architecture of Hay Castle and the local History(3) To advance education in the arts (Including literature, performance arts, paintings and any other creative art forms) which could Include the establishment and maintenance of an art museum or art gallery or art festival or theatre or other arts centre.

Activities: The Company's objects are to preserve the heritage of Hay Castle in Hay-on-Wye and to advance educationon the architecture of the building, local history and the arts by the purchase and preservation of the buildingand its surrounding land.

Classification

- **How:** Provides Buildings/facilities/open Space, Other Charitable Activities
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** The General Public/mankind

Geography

- Herefordshire
- Powys

Finances

Period end	Income	Expenditure	Assets	Employees
2025-04-30	£526,039	£523,789	£9,679,701	8
2024-04-30	£557,517	£533,820	£9,677,451	6
2023-04-30	£615,729	£475,768	£9,653,754	6
2022-04-30	£1,289,325	£161,789	£9,513,793	3
2021-04-30	£1,537,802	£91,866	£8,386,257	2

Trustees

Name	Role	Appointed
SUSAN MALTHOUSE	Chair	2018-07-01
Alice Sherwood		2021-10-15
Alison Bevan		2025-09-26
Christopher Stephen Fyles		2020-06-02
ED FOX		2018-07-01
Fiona Glida Howard		2020-10-23
Karen Schuldt Usher		2024-06-14
Robert Collingwood		2023-04-18

HAY CASTLE TRUST

England & Wales - Charity number 1144524

Accounts

**Report of the Trustees and
Financial Statements
for the Year Ended 30 April 2025
for
HAY CASTLE TRUST**

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

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The trustees, who are also directors for the purposes of the Companies Act 2006, present their report with the financial statements of the Trust for the year ended 30 April 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's primary objective is to preserve the heritage and assure the future of Hay Castle in Hay-on-Wye. As befits a building which has enjoyed more than 800 years of continuous occupancy, the Trust aims to promote community and visitor involvement in an active, living amenity which is a focal feature of the town and surrounding area.

Operational strategies for achieving this objective and these aims include:

- stewardship and maintenance of the Castle and of its adjoining buildings, grounds and gardens;
- promoting education on the history and architecture of the Castle and local history generally;
- provision of a venue for cultural enrichment through the arts;
- generating training opportunities in relevant local skills;
- providing a venue and a forum for community benefit and enjoyment.;
- securing sufficient funding to meet the Trust's objectives; and
- operating the Castle as an income-generating venue, sufficient to ensure its long-term survival as a cultural venue and community asset.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning activities for the year.

ACHIEVEMENT AND PERFORMANCE

This was the third year of operation, following the Castle opening to the public on 27 May 2022.

Direct visitor income arises from admission fees, donations, and Castle tours. Income also arises from events held within the Castle's grounds, as well as from memberships, the shop, the outsourced café and rental income. Some of these activities are carried out through a subsidiary company, Hay Castle Trading Limited, which donates its profits to the Trust.

The Trust runs a programme of talks, workshops, shows, markets and other events for the local community, visitors and schools covering a wide range of interests and topics.

The Hay Festival Winter Weekend took place at the Castle in November 2024. The second Weekend of Mistakes, a programme exploring the history of economic and financial mistakes, took place in March 2025.

The Castle remains a member of both the Historic Houses Association and the Art Fund. These memberships allow the Castle to be promoted to a combined membership of over 200,000.

The exhibitions in the gallery during the year were:

- Shân Egerton: A Painter's Life. This featured works by a local artist who was well-known and very well-loved in Hay and beyond. The work on show demonstrated a lifetime of her love of painting, travel and the area that was her home (March to May 24);
- April - A Lady In Hay. April Ashley lived in Hay during the 1980s and was a well-known character in the town. This exhibition explored her life as a transgender pioneer - the face that the newspapers splashed on their front pages and the private person behind the make up and the glamorous clothes (May to September 2024);
- Quentin Blake Illustrations. An exhibition showcasing the works of one of Britain's most beloved illustrators, Quentin Blake. The exhibition included a display of some of Quentin's favourite art materials (November 2024 to March 2025).
- Hay Open Show. Showcasing a diverse range of artistic talent, this exhibition featured over 100 pieces of work across various mediums, including paintings, drawings, prints, ceramics, sculpture, and fabric art (April to May 2025)

In addition to the above, a further ten exhibitions ran during the course of the year. These events were held in various parts of the Castle, including the café and the sculpture gallery with the subject matter including photography, jewellery and an event which exhibited a range of artwork created by students, including paintings, sculptures, and ceramics.

As reported last year, in May 2024 the success of the restoration project was recognised when the Castle won RIBA Wales Building of the Year 2024 as well as a RIBA Conservation Award 2024 and a RIBA Wales Award 2024.

The Trust continues to work towards full Museum Accreditation, having already been granted the status of Working Toward Accreditation.

During the year, the Board decided to appoint external consultants, The Funding Centre, to provide additional capacity and expert support to the Castle around fundraising, especially regarding core funding. An initial prospect search resulted in a number of recommendations for applications which were taken forward during the course of the year. The initiative will be continued in the coming year.

We are extremely grateful for the continued support of the organisations that provide funding for our capital and operational projects. Information on grants awarded during the year is provided in note 3 to the Financial Statements.

PEOPLE

The Castle could not operate without our dedicated team of volunteers who welcome visitors to the Castle, run tours, assist in the shop, provide support at events and exhibitions and help to maintain the grounds.

During the year, Carol Peace and Stephen Purse retired from the board after a combined length of service of seven years during which they provided invaluable strategic support to the Castle. The trustees are very grateful for the dedicated efforts of the retiring Trustees.

As reported last year, Karen Usher joined the board on 14 June 2024, adding her extensive business and voluntary experience.

FINANCIAL REVIEW

Financial Position

Total income for the year was £526,039 (2024 - £557,517) and total expenditure in the year was £523,789 (2024 - £533,820), giving a net income position of £2,250 (2024 - £23,687).

At the 30 April 2025 the charity had net current assets of £(746,973) (2024 - (759,800)). Total funds at 30 April 2025 were £9,679,701 (2024 - £9,677,451), of which £115,198 were restricted funds.

During the year, the charity was successful in securing a grant of £41,103 from the Moondance Foundation towards operating costs. Further, the Foyle Foundation awarded a grant of £15,000 to help support staff and operational costs and a grant of £20,000 was received from the Elmley Foundation to help cover the costs of operating the gallery. Contributions towards estate maintenance costs were received from the National Lottery Community Fund (£19,688) and from The Pilgrim Trust (£5,000). Other grant income was received to support exhibitions which were run by the castle throughout the year.

During the year an amount of £55,408 (2024: £51,681) was donated from Hay Castle Trading Limited, the company's 100% owned trading subsidiary. A further restricted donation of £30,669 (2024: £23,000) was received for the event 'Weekend of Mistakes'.

The Company will continue to raise funds from trusts, foundations and individuals to enable a range of performance and participation programmes that are planned for 2025/26.

Principal funding sources

Income from charitable activities was £179,267 (2024: £127,099) with the increase stemming from higher admission ticket income (£83,161 against £73,143 in 2024) and from event income (£49,982 against - £19,506 in 2024).

The principal sources of trading income during the year came from the café - £62,668 (2024: £71,959); from rental income from the letting of retail units - £20,544 (2024: £26,316) and from venue hire - £11,371 (2024: £48,490). The café continues to be run by a third party operator with the charity earning a rental income which is partly turnover based. Income from venue hire fell during the year as a result of fewer weddings compared to previous years. The number of wedding bookings for 2026 are, however, encouraging and the charity is optimistic that this income stream will increase in the years ahead.

The Museums, Gallery and Exhibition Tax Relief credit accounted for during the year was £24,869 (2024: £14,781). Gift Aid credit during the year was £14,884 (2024: £12,436).

Reserves

The trustees have considered the need for free reserves to provide financial resilience. The target is an amount sufficient to cover at least three months operating expenses, or approximately £130,000.

The unrestricted reserves at 30 April 2025 amount to £9,564,503. After deducting the value of fixed assets, adding the £939,000 loan from Lindenleaf CIO (the terms of which are set out in note 21 to the financial statements) and adding the distributable reserves of £55,148 in the subsidiary company (Hay Castle Trading Limited), the adjusted free reserves at 30 April 2025 amount to approximately £129,500 (2024: £171,500), or 100% (2024: 131%) of the target amount.

FUTURE PLANS

The Trust will ensure that the Castle remains attractive both to the local community and visitors from further afield through the continued provision of high quality activities, including exhibitions and events as well as retail and catering outlets.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Hay Castle Trust is a company limited by guarantee and is governed by its Memorandum and Articles of Association. Governance and the financial health of the Trust are the responsibility of the trustees. None of the trustees has any beneficial interest in the Trust. All the trustees are members of the Trust and guarantee to contribute a sum not exceeding £10 in the event of a winding up.

Recruitment, appointment and induction of new trustees

The power of appointing new or additional trustees is vested in the trustees. Trustees are expected to identify their training needs and take measures to ensure these needs are met.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The Castle is operated on a day-to-day basis by the Executive Director and his team. The pay of senior staff is set by the trustees having regard to market rates.

Risk management

The trustees regularly review the major risks inherent in the operation of the Trust and systems and procedures have been established to manage those risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07639471 (England and Wales)

Registered Charity number

1144524

Registered office

Hay Castle
Oxford Road
HAY-ON-WYE
Powys
HR3 5DG

Trustees

The current trustees are:

Jennifer Bennett	
Robert Collingwood	
Edward Fox	
Christopher Fyles	
Fiona Howard	
Susan Malthouse	Chair
Alice Sherwood	
Karen Usher	Appointed 14th June 2024

The following trustees also held office during the year:

Carol Peace	Resigned 27th September 2024
Stephen Purse	Resigned 13th December 2024

Senior management

Tom True	Executive Director
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Auditors

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Bankers

Barclays
1-3 Broad Street
Hereford
HR4 9BH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

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

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

In so far as the trustees are aware:

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

AUDITORS

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

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

Approved by order of the Board of Trustees on 04/09/2025 and signed on its behalf by:



.....
Susan Malthouse - Trustee

Opinion

We have audited the financial statements of Hay Castle Trust (the 'charitable company') for the year ended 30 April 2025 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 30 April 2025 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 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 charitable company'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 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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- 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.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Rachel Doyle ACA FCCA (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 17/09/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

HAY CASTLE TRUST

Statement of Financial Activities (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDED 30 APRIL 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	89,663	159,902	249,565	279,575
Charitable activities	6				
The preservation of Hay Castle and the advancement of education		179,267	-	179,267	127,099
Trading activities	4	94,871	-	94,871	147,382
Investment income	5	2,336	-	2,336	3,461
Total		<u>366,137</u>	<u>159,902</u>	<u>526,039</u>	<u>557,517</u>
EXPENDITURE ON					
Raising funds	7	26,717	-	26,717	34,879
Charitable activities	8				
The preservation of Hay Castle and the advancement of education		413,313	83,759	497,072	498,941
Total		<u>440,030</u>	<u>83,759</u>	<u>523,789</u>	<u>533,820</u>
NET INCOME/(EXPENDITURE)		(73,893)	76,143	2,250	23,697
Transfers between funds	22	11,550	(11,550)	-	-
Net movement in funds		<u>(62,343)</u>	<u>64,593</u>	<u>2,250</u>	<u>23,697</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		9,626,846	50,605	9,677,451	9,653,754
TOTAL FUNDS CARRIED FORWARD		<u><u>9,564,503</u></u>	<u><u>115,198</u></u>	<u><u>9,679,701</u></u>	<u><u>9,677,451</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST

Balance Sheet 30 APRIL 2025

	Notes	Unrestricted funds £	Restricted funds £	2025 Total funds £	2024 Total funds £
FIXED ASSETS					
Tangible assets	15	36,094	-	36,094	51,136
Heritage assets	16	10,393,079	-	10,393,079	10,398,614
Investments	17	1	-	1	1
		<u>10,429,174</u>	<u>-</u>	<u>10,429,174</u>	<u>10,449,751</u>
CURRENT ASSETS					
Debtors	18	34,404	94,643	129,047	218,850
Cash at bank		90,075	20,555	110,630	325,004
		<u>124,479</u>	<u>115,198</u>	<u>239,677</u>	<u>543,854</u>
CREDITORS					
Amounts falling due within one year	19	(986,650)	-	(986,650)	(1,303,654)
		<u>(862,171)</u>	<u>115,198</u>	<u>(746,973)</u>	<u>(759,800)</u>
NET CURRENT ASSETS					
		<u>(862,171)</u>	<u>115,198</u>	<u>(746,973)</u>	<u>(759,800)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,567,003</u>	<u>115,198</u>	<u>9,682,201</u>	<u>9,689,951</u>
CREDITORS					
Amounts falling due after more than one year	20	(2,500)	-	(2,500)	(12,500)
		<u>(2,500)</u>	<u>-</u>	<u>(2,500)</u>	<u>(12,500)</u>
NET ASSETS		<u>9,564,503</u>	<u>115,198</u>	<u>9,679,701</u>	<u>9,677,451</u>
FUNDS	22				
Unrestricted funds				9,564,503	9,626,846
Restricted funds				115,198	50,605
TOTAL FUNDS				<u>9,679,701</u>	<u>9,677,451</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 04/09/2025 and were signed on its behalf by:



.....
Susan Malthouse - Trustee

HAY CASTLE TRUST

Cash Flow Statement FOR THE YEAR ENDED 30 APRIL 2025

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	(209,826)	196,549
Interest paid		(447)	(699)
Net cash (used in)/provided by operating activities		<u>(210,273)</u>	<u>195,850</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,972)	(12,644)
Purchase of heritage assets		-	(22,524)
Sale of heritage assets		5,535	-
Interest received		2,336	3,461
Net cash provided by/(used in) investing activities		<u>5,899</u>	<u>(31,707)</u>
Cash flows from financing activities			
Loan repayments in year		(10,000)	(10,000)
Net cash used in financing activities		<u>(10,000)</u>	<u>(10,000)</u>
Change in cash and cash equivalents in the reporting period			
		(214,374)	154,143
Cash and cash equivalents at the beginning of the reporting period			
		<u>325,004</u>	<u>170,861</u>
Cash and cash equivalents at the end of the reporting period			
		<u><u>110,630</u></u>	<u><u>325,004</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
FOR THE YEAR ENDED 30 APRIL 2025

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

	2025 £	2024 £
Net income for the reporting period (as per the Statement of Financial Activities)	2,250	23,697
Adjustments for:		
Depreciation charges	17,014	16,408
Interest received	(2,336)	(3,461)
Interest paid	447	699
Decrease in debtors	89,803	265,195
Decrease in creditors	(317,004)	(105,989)
Net cash (used in)/provided by operations	<u>(209,826)</u>	<u>196,549</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/5/24 £	Cash flow £	At 30/4/25 £
Net cash			
Cash at bank	325,004	(214,374)	110,630
	<u>325,004</u>	<u>(214,374)</u>	<u>110,630</u>
Debt			
Debts falling due within 1 year	(949,000)	-	(949,000)
Debts falling due after 1 year	(12,500)	10,000	(2,500)
	<u>(961,500)</u>	<u>10,000</u>	<u>(951,500)</u>
Total	<u>(636,496)</u>	<u>(204,374)</u>	<u>(840,870)</u>

1. STATUTORY INFORMATION

Hay Castle Trust is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Hay Castle, Oxford Road, Hay-on-Wye, HR3 5DG.

The charity does not have any share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the Trust's operations are described in the Report of the Trustees.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. 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 the UK and Republic of Ireland (FRS 102) (effective January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There have been no material departures from Financial Reporting Standard 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policies.

Going concern

Financial projections have been prepared for a period covering 12 months from the approval of these financial statements. These include both the projected operating results and cashflow projections.

Consideration has also been given to the continued availability of the loan from Lindenleaf CIO, further details of which are provided in note 21.

In these circumstances, the trustees have concluded that no adjustments or additional disclosures are required to the financial statements and are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

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.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income is recognised on a receivable basis.

2. ACCOUNTING POLICIES - continued**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.

Expenditure on costs of raising funds include costs of fundraising, advertising, marketing and direct mail materials as well as a consultancy fees.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the management of the charity.

ALLOCATION AND APPORTIONMENT OF COSTS

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

TANGIBLE FIXED ASSETS

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any residual value, over their expected useful economic life as follows:

Plant and machinery	25% straight line
Fixtures and fittings	10% - 20% straight line
Computer equipment	33% straight line

During the period of restoration, freehold land and buildings were held at cost and not depreciated.

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Investments

Investments are stated at cost less any impairment at the balance sheet date.

HERITAGE ASSETS

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation if known. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Those heritage assets currently recognised on the balance sheet have indefinite lives and are therefore not depreciated, but reviewed at each reporting date for impairment.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

The Trust maintains a register for its collections of heritage assets which records the nature and current location of each asset.

Taxation

The Trust has been granted exemption from UK corporation tax by virtue of its charitable status. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

2. ACCOUNTING POLICIES - continued**FINANCIAL INSTRUMENTS**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

FUND ACCOUNTING**Unrestricted funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds which are set aside by the trustees for a specific purpose.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Transfers are made from restricted to unrestricted funds relating to the purchase of fixed assets from restricted income where such expenditure fulfils the terms of the restriction.

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.

3. DONATIONS AND LEGACIES

	2025	2024
	£	£
Donations	100,923	87,739
Gift aid	14,884	12,436
Grants	128,780	172,078
Membership schemes	4,978	7,322
	<u>249,565</u>	<u>279,575</u>

During the year an amount of £55,408 (2024: £51,681) was donated from Hay Castle Trading Limited, the company's 100% owned trading subsidiary. A further restricted donation of £30,669 (2024: £23,000) was received for the event 'Weekend of Mistakes'.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 APRIL 2025

3. DONATIONS AND LEGACIES - continued

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

	2025 £	2024 £
National Portrait Gallery - Creative Intern funding	-	7,681
Welsh Government - towards operating costs	-	8,000
Garfield Weston Foundation - towards operating costs	-	20,000
Arts Council of Wales: Refugee Artists Exhibition	-	10,000
Colwinston Charitable Trust: Hidden Gifts - Refugee Artists in Wales	-	11,275
The Ashley Family Foundation: April Ashley A Lady in Hay	-	1,500
Brecknock Art Trust - Josef Herman Exhibition	-	850
Arts Council of Wales: April Ashley A Lady in Hay	-	10,000
The Moondance Foundation: towards operating costs	41,103	58,760
Welsh Historic Gardens Trust: restoration gardens/ grounds	-	1,020
Herefordshire Council - UK Shared Prosperity Fund	-	6,000
Hay History group: Display cabinet for archaeological finds	-	1,500
Federation of Museums and Art Galleries of Wales: Art Handling	-	690
The Architectural Heritage Fund; Project Development	-	29,600
Bannau Brycheiniog National Park Authority: Dark Skies	-	1,434
Film Hub Wales: Writing with Light	-	3,000
Bannau Brycheiniog National Park Authority: Remarkable Castles	-	768
UK Shared Prosperity Fund for Events and Festivals: Writing with Light	4,755	-
The Darkly Trust - Grant for PA System	2,350	-
Museums Federation Cymru - Museum association conference expenses	344	-
Kids in Museums - Family Friendly Museum Support Programme	750	-
The Pilgrim Trust - Preserving Hay Castle's Medieval Wall	5,000	-
THE HERDS - To support content creation and paid posts	200	-
THE HERDS - Endangered species workshops	1,990	-
The Mumford Memorial Fund - Towards the overheads of the learning space	5,000	-
The National Lottery Community Fund - Lawn maintenance, staff costs	19,688	-
The Elmley Foundation - Towards operating museum standard gallery	20,000	-
The Herefordshire Community Foundation - Quentin Blake Exhibition	2,000	-
SR & PH Southall Charitable Trust - Quentin Blake Exhibition	5,000	-
Colwinston Charitable Trust - Celebration of Welsh Artists	5,600	-
The Foyle Foundation - Staff costs and overheads	15,000	-
	<u>128,780</u>	<u>172,078</u>

4. TRADING ACTIVITIES

	2025 £	2024 £
Cafe	62,668	71,959
Rental income	20,544	26,316
Venue hire	11,371	48,490
Other income	288	617
	<u>94,871</u>	<u>147,382</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 APRIL 2025

5. INVESTMENT INCOME

	2025	2024
	£	£
Deposit account interest	2,336	3,461

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2025	2024
		£	£
Tours income	The preservation of Hay Castle and the advancement of education	6,442	4,636
Entrance ticket income	The preservation of Hay Castle and the advancement of education	83,161	73,743
Heritage and Learning workshops	The preservation of Hay Castle and the advancement of education	14,813	14,433
Event income	The preservation of Hay Castle and the advancement of education	49,982	19,506
Museums and Galleries	The preservation of Hay Castle and the advancement of education	24,869	14,781
Exhibition Tax Relief			
		179,267	127,099

7. RAISING FUNDS**RAISING DONATIONS AND LEGACIES**

	2025	2024
	£	£
Consultancy fees	5,585	6,362
Professional fees	-	3,761
	5,585	10,123

TRADING ACTIVITIES

	2025	2024
	£	£
Professional fees	-	4,900
Cost of venue hire	7,024	6,682
Depreciation	14,108	13,174
	21,132	24,756
Aggregate amounts	26,717	34,879

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 APRIL 2025

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
The preservation of Hay Castle and the advancement of education	405,999	91,073	497,072

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2025 £	2024 £
Staff costs	139,581	140,594
Heat, light, power, water and waste collection	45,919	60,030
Heritage & learning activities costs	15,232	7,735
Cleaning costs	23,681	34,456
Insurances	22,521	23,916
Postage and stationery	851	1,300
Advertising and promotions	3,716	5,209
Exhibition costs	24,378	30,445
Repairs and maintenance	44,413	36,693
Staff & volunteer travel, training and expenses	1,672	4,726
Office expenses	11,006	6,826
Cost of events	71,169	52,413
Bank charges	436	420
Exceptional items	1,424	-
	405,999	404,763

10. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Totals £
The preservation of Hay Castle and the advancement of education	60,631	447	21,336	8,659	91,073
2024	58,314	699	26,067	9,098	94,178

11. NET INCOME/(EXPENDITURE)

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

	2025 £	2024 £
Depreciation - owned assets	17,014	16,408
Auditors' remuneration	6,500	6,500

Depreciation is apportioned to include £14,108 (2024: £13,174) within raising funds (note 7) and £2,906 (2024: £3,234) within support costs (note 10).

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration, other benefits or expenses paid for the year ended 30 April 2025 or for the year ended 30 April 2024.

13. STAFF COSTS

	2025 £	2024 £
Wages and salaries	184,042	181,931
Social security costs	12,059	12,679
Employer pension costs	4,111	4,298
	<u>200,211</u>	<u>198,908</u>

The average number of employees during the year was as follows:

	2025	2024
Employees	<u>8</u>	<u>6</u>

One employee received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year was £60,631 (2024: £58,313).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 30 APRIL 2024

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	111,455	168,120	279,575
Charitable activities			
The preservation of Hay Castle and the advancement of education	127,099	-	127,099
Trading activities	147,382	-	147,382
Investment income	3,461	-	3,461
Total	<u>389,397</u>	<u>168,120</u>	<u>557,517</u>
EXPENDITURE ON			
Raising funds	34,879	-	34,879
Charitable activities			
The preservation of Hay Castle and the advancement of education	234,359	264,582	498,941
Total	<u>269,238</u>	<u>264,582</u>	<u>533,820</u>
NET INCOME/(EXPENDITURE)	120,159	(96,462)	23,697
Transfers between funds	14,832	(14,832)	-
Net movement in funds	134,991	(111,294)	23,697
RECONCILIATION OF FUNDS			
Total funds brought forward	9,491,855	161,899	9,653,754
TOTAL FUNDS CARRIED FORWARD	<u>9,626,846</u>	<u>50,605</u>	<u>9,677,451</u>

15. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 May 2024	17,496	67,840	11,913	97,249
Additions	1,000	-	972	1,972
At 30 April 2025	18,496	67,840	12,885	99,221
DEPRECIATION				
At 1 May 2024	13,398	25,312	7,403	46,113
Charge for year	2,253	11,855	2,906	17,014
At 30 April 2025	15,651	37,167	10,309	63,127
NET BOOK VALUE				
At 30 April 2025	2,845	30,673	2,576	36,094
At 30 April 2024	4,098	42,528	4,510	51,136

16. HERITAGE ASSETS

	Total £
COST	
At 1 May 2024	10,398,614
Disposals	(5,535)
At 30 April 2025	10,393,079
NET BOOK VALUE	
At 30 April 2025	10,393,079
At 30 April 2024	10,398,614

Heritage assets comprise of the following:

	2025 £	2024 £
Sculptures and portraits of Richard Booth	5,700	5,700
Property - Castle	10,387,380	10,392,914
	10,393,080	10,398,614

The above assets are held and maintained principally for their contribution to knowledge and culture and in support of the Trust's objectives.

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2024 and 30 April 2025	1
NET BOOK VALUE	
At 30 April 2025	1
At 30 April 2024	1

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Hay Castle Trading Limited

Registered office: Hay Castle, Oxford Road, Hay-on-Wye, Hereford, United Kingdom, HR3 5DG

Nature of business: Retail

Class of share:	% holding
Ordinary	100

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Trade debtors	11,203	23,930
Amounts owed by group undertakings	10,088	-
Other debtors	91,380	182,554
VAT	-	5,994
Prepayments	16,376	6,372
	<u>129,047</u>	<u>218,850</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £	2024 £
Bank loans and overdrafts (see note 21)	10,000	10,000
Other loans (see note 21)	939,000	939,000
Trade creditors	4,874	44,552
VAT	497	-
Other creditors	2,403	7,769
Accruals and deferred income	29,876	302,333
	<u>986,650</u>	<u>1,303,654</u>

Included within accruals and deferred income above is the following deferred income:

	2025 £	2024 £
Venue hire	15,465	6,672
	<u>15,465</u>	<u>6,672</u>

All deferred income relates to income received in advance of venue hire dates.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 APRIL 2025

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £	2024 £
Bank loans (see note 21)	2,500	12,500

21. LOANS

An analysis of the maturity of loans is given below:

	2025 £	2024 £
Amounts falling due within one year on demand:		
Bank loans	10,000	10,000
Other loans	939,000	939,000
	949,000	949,000
Amounts falling between one and two years:		
Bank loans - 1-2 years	2,500	12,500

The bank loan is interest bearing and was drawn under the Bounce Back Loan Scheme.

The other loan is from Lindenleaf CIO under the terms of a funding agreement dated 16 July 2016, as subsequently amended. The loan is interest free and the Trust may repay the loan at any time.

Until 24 May 2027 the lender may:

- at its sole discretion, convert some or all of the loan into a donation;
- request repayment of some or all off the loan if alternative funding is received by the Trust.

The lender shall convert any part of the loan outstanding at 24 May 2027 into a donation.

22. MOVEMENT IN FUNDS

	At 1/5/24 £	Net movement in funds £	Transfers between funds £	At 30/4/25 £
Unrestricted funds				
General fund	(822,904)	(56,879)	954,113	74,330
Fixed asset fund	10,449,750	(17,014)	(942,563)	9,490,173
	9,626,846	(73,893)	11,550	9,564,503
Restricted funds				
Heritage Skills Training	8,253	(1,670)	-	6,583
National Lottery Community Fund	-	17,284	-	17,284
The Moondance Foundation - salary contribution	1,846	39,257	-	41,103
April: A Lady in Hay	10,906	(10,906)	-	-
Project Development	29,600	(1,646)	(11,550)	16,404
The Darkly Trust	-	1,246	-	1,246
Museums Federation Cymru	-	110	-	110
Preserving Hay Castle's Medieval Curtain Wall	-	5,000	-	5,000
THE HERDS	-	2,190	-	2,190
The Elmley Foundation	-	11,585	-	11,585
The Foyle Foundation	-	8,480	-	8,480
Celebration of 20th Century Welsh Artists	-	5,213	-	5,213
	50,605	76,143	(11,550)	115,198
TOTAL FUNDS	9,677,451	2,250	-	9,679,701

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 APRIL 2025

22. 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	366,137	(423,016)	(56,879)
Fixed asset fund	-	(17,014)	(17,014)
	<u>366,137</u>	<u>(440,030)</u>	<u>(73,893)</u>
Restricted funds			
Heritage Skills Training	-	(1,670)	(1,670)
National Lottery Community Fund	19,688	(2,404)	17,284
Weekend of Mistakes	30,669	(30,669)	-
Defibrillator	453	(453)	-
The Moondance Foundation - salary contribution	41,103	(1,846)	39,257
April: A Lady in Hay	-	(10,906)	(10,906)
Project Development	-	(1,646)	(1,646)
Writing with Light	4,755	(4,755)	-
The Darkly Trust	2,350	(1,104)	1,246
Museums Federation Cymru	344	(234)	110
Family Friendly Museum Support Programme Wales	750	(750)	-
Preserving Hay Castle's Medieval Curtain Wall	5,000	-	5,000
THE HERDS	2,190	-	2,190
Mumford Memorial Fund	5,000	(5,000)	-
The Elmley Foundation	20,000	(8,415)	11,585
The Foyle Foundation	15,000	(6,520)	8,480
Quentin Blake Exhibition	7,000	(7,000)	-
Celebration of 20th Century Welsh Artists	5,600	(387)	5,213
	<u>159,902</u>	<u>(83,759)</u>	<u>76,143</u>
TOTAL FUNDS	<u><u>526,039</u></u>	<u><u>(523,789)</u></u>	<u><u>2,250</u></u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 APRIL 2025

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/5/23 £	Net movement in funds £	Transfers between funds £	At 30/4/24 £
Unrestricted funds				
General fund	(939,135)	136,567	(20,336)	(822,904)
Fixed asset fund	10,430,990	(16,408)	35,168	10,449,750
	<u>9,491,855</u>	<u>120,159</u>	<u>14,832</u>	<u>9,626,846</u>
Restricted funds				
National Lottery Heritage Fund	137,810	(124,478)	(13,332)	-
Education and Activity	6,724	(6,724)	-	-
Heritage Skills Training	8,286	(33)	-	8,253
Community Foundation Wales - Ashley				
Family Foundation	8,000	(8,000)	-	-
Welsh Historic Gardens Trust	950	(950)	-	-
Community Nature Recovery	129	(129)	-	-
The Moondance Foundation - salary contribution	-	1,846	-	1,846
April: A Lady in Hay	-	10,906	-	10,906
Display cabinet	-	1,500	(1,500)	-
Project Development	-	29,600	-	29,600
	<u>161,899</u>	<u>(96,462)</u>	<u>(14,832)</u>	<u>50,605</u>
TOTAL FUNDS	<u>9,653,754</u>	<u>23,697</u>	<u>-</u>	<u>9,677,451</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 30 APRIL 2025

22. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	389,397	(252,830)	136,567
Fixed asset fund	-	(16,408)	(16,408)
	<u>389,397</u>	<u>(269,238)</u>	<u>120,159</u>
Restricted funds			
National Lottery Heritage Fund	-	(124,478)	(124,478)
Education and Activity	-	(6,724)	(6,724)
Heritage Skills Training	-	(33)	(33)
Community Foundation Wales - Ashley Family Foundation	-	(8,000)	(8,000)
National Portrait Gallery - Creative Intern	7,681	(7,681)	-
Welsh Historic Gardens Trust	1,020	(1,970)	(950)
Community Nature Recovery	-	(129)	(129)
Weekend of Mistakes	23,000	(23,000)	-
Defibrillator	1,042	(1,042)	-
The Moondance Foundation - salary contribution	58,760	(56,914)	1,846
Refugee Artists in Wales exhibition	21,275	(21,275)	-
Josef Herman exhibition	850	(850)	-
April: A Lady in Hay	11,500	(594)	10,906
UK Shared Prosperity Fund	6,000	(6,000)	-
Display cabinet	1,500	-	1,500
Art handling	690	(690)	-
Project Development	29,600	-	29,600
Dark Skies exhibition	1,434	(1,434)	-
Writing with Light	3,000	(3,000)	-
Remarkable Castles	768	(768)	-
	<u>168,120</u>	<u>(264,582)</u>	<u>(96,462)</u>
TOTAL FUNDS	<u>557,517</u>	<u>(533,820)</u>	<u>23,697</u>

Designated fixed asset fund

The fixed asset fund represents the net book value of tangible fixed assets including heritage assets.

Weekend of Mistakes

A donation of £30,669 was received towards the celebrated Library of Mistakes, in residence at Hay Castle 21st - 23rd March 2025. This comprised historians, financial experts, investments sages for a wealth of wisdom and a weekend of financial booms and busts, bubbles, swindles, panics and crashes.

Defibrillator

Donations received towards the purchase of a defibrillator.

The Moondance Foundation - salary contribution

A grant of £41,103 was received from The Moondance Foundation towards the salary costs of the Executive Director.

Writing with Light

The objective of the project was for young audiences, public engagement, screen heritage and inclusion.

The Darkly Trust

Grant funding received towards events equipment.

22. MOVEMENT IN FUNDS - continued

Museums Federation Cymru

Grant funding received towards staff development and towards an activities & learning manager's attendance at a conference.

Family Friendly Museum Support Programme Wales

Grant funding received towards improving visitor experience for children and neurodiverse visitors.

Preserving Hay Castle's Medieval Curtain Wall

Grant funding received from Pilgrim Trust towards vegetation clearance and investigations overseen by Cadw

HERDS - content creation

Funding towards supporting content creation and social media boosts relating to ArtFund HERDS project.

HERDS - Educational activities

Funding towards educational activities and workshops related to ArtFund HERDS project.

Mumford Memorial Fund - where the need is greatest

Grant funding received towards core delivery of activities programme.

Hay Castle Living Lawn

Grant funding received from the National Lottery Community Fund towards maintenance of lawn and the delivery of outdoor events programmes.

The Elmley Foundation

Grant funding received towards maintaining museum standard gallery and core delivery of the exhibitions programme.

The Foyle Foundation

Grant funding received towards delivery of the artist support programme.

Quentin Blake Exhibition

Grant funding received from the Southall Trust and Herefordshire Community Foundation towards the production of the Quentin Blake exhibition.

Celebration of 20th Century Artists

Grant funding received from Colwinston Charitable Trust towards production of 20th Century Welsh Artists exhibition.

Comparative year only

Remarkable Castles

Funded provided by Bannau Brycheiniog National Park Authority towards the publication of the Remarkable Castles booklet.

Dark Skies

Funding was received from Bannau Brycheiniog National Park Authority towards the costs of the exhibition Dark Skies. This exhibition of the work of artist and photographer Judy Goldhill explored our complex relationship to darkness and the night.

Art handling

Funding of £690 was received from the Federation of Museums and Arts Galleries of Wales towards Art handling training that was delivered in the year.

Display cabinet

A grant of £1,500 was received from Hay Castle Group towards the cost a display cabinet.

UK Shared Prosperity Fund

Grant funding was received via Herefordshire Council under Project title: Drawbridge: Hay Castle Open Exhibition Application.

Josef Herman exhibition

Grant of £850 received from the Brecknock Art Trust towards the costs of the Josef Herman exhibition.

22. MOVEMENT IN FUNDS - continued

Refugee Artists in Wales exhibition

Grants were received from Arts Council of Wales £10,000 and Colwinston Charitable Trust £11,275 towards Refugee Artists in Wales exhibition.

National Lottery Heritage Fund

Grant funding received from the National Lottery Heritage Fund, for further development phases of Hay Castle.

Community Nature Recovery grant

Funding received from the Brecon Beacons National Park Authority, under the Communities Nature Recovery Grants Scheme towards a wildflower project completed in the year.

Education and Activity

Funding was received in a previous year of £10,000 from The Hobson Charity to support the education and activity programme at Hay Castle.

Heritage Skills Training

Funding was received in a previous year of £20,000 from The Dulverton Trust, and £25,675 from the Andrew Lloyd Webber Foundation which is to be used to establish a heritage skill training programme. The balance will be used to support future activities.

Community Foundation Wales - Ashley Family Foundation

Funding was received in a previous year of £8,000 received towards artistic production/materials, marketing and publicity, artist fees, artist travel costs and expenses, art transport, insurance and installation, project management and evaluation.

National Portrait Gallery - Creative Intern

Funding was received from the National Portrait Gallery specifically to cover the salary and on-costs of an Intern placement at Hay Castle.

Welsh Historic Gardens Trust

The funding was for improvements to the gardens and grounds work.

April: A Lady in Hay exhibition

Grants were received from The Ashley Family Foundation £1,500 and Arts Council of Wales £10,000 towards the April: A Lady in Hay exhibition.

Project development

A grant of £29,600 was received from The Architectural Heritage Fund for project development at Hay Castle. This funding was received in March 2024 and will be utilised in the next financial year.

TRANSFERS BETWEEN FUNDS

A transfer of £11,550 was made from the project development fund to the general fund in respect of prepayments made for a potentially capital project.

A transfer of £3,563 was made from the general fund to the designated fixed asset fund, which represents the movement in net book value of the fixed assets at the balance sheet date.

A transfer of £939,000 was made from the fixed asset fund to the general fund, offsetting the value of the Lindenleaf loan, to represent true value of the fixed asset fund.

Comparative year

A transfer of £1,500 was made from the restricted display cabinet fund to the general fund in respect of the funding spent on fixed assets.

A transfer of £13,332 was made from the National Lottery Heritage Fund to the general fund in respect of the funding spent on the capital project.

A transfer of £35,168 was made from the general fund to the designated fixed asset fund, which represents the movement in net book value of the fixed assets at the balance sheet date.

23. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £4,111 (2024: £4,298).

Contributions totalling £Nil (2024: £Nil) were payable to the scheme at the year end and are included in other creditors.

24. CONTINGENT LIABILITIES

In line with the terms of the grant, prior approval from the National Lottery Heritage Fund is required should the property be sold and the National Lottery Heritage Fund may require a share of the net proceeds. It is not the intention of the trustees to sell the property.

On 19 June 2024 a legal charge over the property known as Hay Castle, was filed in favour of The Trustees of the National Heritage Memorial Fund in relation to the funding provided by the National Lottery Heritage Fund for the restoration of the Castle.

25. RELATED PARTY DISCLOSURES

During the financial year, the charity received a donation of £55,408 (2024: £51,681) from its 100% owned trading subsidiary, Hay Castle Trading Limited.

As at 30 April 2025 the amounts due from Hay Castle Trading Limited totalled £10,088 (2024: £Nil).

HAY CASTLE TRUST

England & Wales - Charity number 1144524

Accounts

REGISTERED COMPANY NUMBER: 07639471 (England and Wales)
REGISTERED CHARITY NUMBER: 1144524

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024
FOR
HAY CASTLE TRUST**

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

HAY CASTLE TRUST

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2024**

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HAY CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2024

The trustees, who are also directors for the purposes of the Companies Act 2006, present their report with the financial statements of the Trust for the year ended 30 April 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's primary objective is to preserve the heritage and assure the future of Hay Castle in Hay-on-Wye. As befits a building which has enjoyed more than 800 years of continuous occupancy, the Trust aims to promote community and visitor involvement in an active, living amenity which is a focal feature of the town and surrounding area.

Operational strategies for achieving this objective and these aims include:

- stewardship and maintenance of the Castle and of its adjoining buildings, grounds and gardens;
- promoting education on the history and architecture of the Castle and local history generally;
- provision of a venue for cultural enrichment through the arts;
- generating training opportunities in relevant local skills;
- providing a venue and a forum for community benefit and enjoyment;
- securing sufficient funding to meet the Trust's objectives; and
- operating the Castle as an income-generating venue, sufficient to ensure its long-term survival as a cultural venue and community asset.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning activities for the year.

ACHIEVEMENT AND PERFORMANCE

This was the second year of operation, following the Castle opening to the public on 27 May 2022.

Direct visitor income arose from admission fees, donations and Castle tours. Income also arose from events held within the Castle's grounds, as well as from the shop, the outsourced café and rental income. Some of these activities are carried out through a subsidiary company, Hay Castle Trading Limited, which donates its profits to the Trust.

The Trust ran a programme of talks, workshops and other events for the local community, visitors and schools covering a wide range of interests and topics.

The Hay Festival Winter Weekend took place at the Castle in November 2023. The Weekend of Mistakes, a programme exploring the history of economic and financial mistakes, took place in March 2024.

During the year, the Castle joined the Historic Houses Association and will shortly join the Art Fund. This will enable the Castle to promote itself to a combined membership of over 200,000 people.

The exhibitions in the gallery during the year were:

- Eugene Fisk: Life in Colour, featuring works by a local artist (February to May 2023)
- Architecture & Poetry, exploring the links between poetry and buildings (May to September 2023)
- Josef Herman: Refugee Artists, featuring works by Josef Herman and other refugee artists (September to November 2023)
- Dark Skies artist and photographer Judy Goldhill explored our complex relationship to darkness and the night (November 2023 to January 2024)
- Hay Open Show, an invitation show, featuring the work of local artists (January to February 2024)
- Shân Egerton: A Painter's Life, featuring works by a local artist (March to May 2024)

HAY CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2024

In May 2024 the success of the restoration project was recognised when the Castle won RIBA Wales Building of the Year 2024 as well as an RIBA Conservation Award 2024 and an RIBA Wales Award 2024.

The Trust continues to work towards full Museum Accreditation, having already been granted the status of Working Toward Accreditation.

PEOPLE

The Castle could not operate without our dedicated staff and the team of volunteers who welcome visitors to the Castle, run tours, assist in the shop and help to maintain the grounds.

As reported last year, Robert Hughes retired from the board on 19 May 2023. Robert continues to provide invaluable support to the Castle. Karen Usher joined the board on 14 June 2024, adding her extensive business and voluntary experience.

FINANCIAL REVIEW

The attached Financial Statements reflect the transactions and position of the Trust for the year to 30 April 2024. The Statement of Financial Activities shows net income for the year of £23,697 (2023: £139,961). In accordance with the accounting policies all grant income (including capital grants) has been recognised in the Statement of Financial Activities.

Grants and donations awarded during the year are listed in notes 3 and 6 to the Financial Statements. This funding is greatly appreciated and makes an enormous difference.

Reserves

The trustees have considered the need for free reserves to provide financial resilience. The target is an amount sufficient to cover at least three months operating expenses, or approximately £130,000.

The unrestricted reserves at 30 April 2024 amount to £9,626,846. After deducting the value of fixed assets, adding the £939,000 loan from Lindenleaf CIO (the terms of which are set out in note 21 to the financial statements) and adding the distributable reserves of £55,408 in the subsidiary company (Hay Castle Trading Limited), the adjusted free reserves at 30 April 2024 amount to approximately £171,500 (2023: £51,000), or 131% (2023: 42%) of the target amount.

FUTURE PLANS

The Trust will ensure that the Castle remains attractive both to the local community and visitors from further afield through the continued provision of high quality activities, including exhibitions and events as well as retail and catering outlets.

HAY CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association.

Recruitment, appointment and induction of new trustees

The power of appointing new or additional trustees is vested in the trustees. Trustees are expected to identify their training needs and take measures to ensure these needs are met.

Organisational structure

Governance and the financial health of the Trust are the responsibility of the trustees. None of the trustees has any beneficial interest in the Trust. All the trustees are members of the Trust and guarantee to contribute a sum not exceeding £10 in the event of a winding up.

The Castle is operated on a day-to-day basis by the Executive Director and his team.

Key management remuneration

The pay of senior staff is set by the Trustees having regard to market rates.

Risk management

The trustees regularly review the major risks inherent in the operation of the Trust and systems and procedures have been established to manage those risks.

A risk register is regularly updated and is reviewed at each quarterly board meeting. Key matters include:

- The generosity of donors enables the Trust to provide its wide programme of activities. A shortfall in grants or other donations could lead to a reduction in activities. Accordingly, priority is being given to maintaining and widening the relationship with existing and potential foundations and other donors
- The generosity of volunteers enables the Trust to maintain the overall quality of the visitor experience every day the Castle is open and at all events. Accordingly, the Trust is implementing a volunteer recruitment and retention programme.
- Minimising the risk and cost of the Trust's key contractual relationships is being addressed through the introduction of a contracts database.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07639471 (England and Wales)

Registered Charity number

1144524

Registered office

Hay Castle
Oxford Road
HAY-ON-WYE
Powys
HR3 5DG

HAY CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2024

Trustees

The current trustees are:

Jennifer Bennett	
Robert Collingwood	
Edward Fox	
Christopher Fyles	
Fiona Howard	
Susan Malthouse	Chair
Carol Peace	
Stephen Purse	
Alice Sherwood	
Karen Usher	Appointed 14 June 2024

The following trustees also held office during the year:

Robert Hughes	Resigned 19 May 2023
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Senior management

Tom True	Executive Director
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Auditors

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Bankers

Barclays
1-3 Broad Street
Hereford
HR4 9BH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hay Castle 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.

HAY CASTLE TRUST

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2024

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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, MHA, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees 2 September 2024 and signed on its behalf by:



Susan Malthouse - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST

Opinion

We have audited the financial statements of Hay Castle Trust (the 'charitable company') for the year ended 30 April 2024 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 30 April 2024 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 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 charitable company'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 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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- 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.
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAY CASTLE TRUST**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date: 10 September 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

HAY CASTLE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 APRIL 2024**

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	restated 2023 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	111,455	168,120	279,575	467,057
Charitable activities	6				
The preservation of Hay Castle and the advancement of education		127,099	-	127,099	50,568
Trading activities	4	147,382	-	147,382	97,880
Investment income	5	<u>3,461</u>	<u>-</u>	<u>3,461</u>	<u>224</u>
Total		<u>389,397</u>	<u>168,120</u>	<u>557,517</u>	<u>615,729</u>
EXPENDITURE ON					
Raising funds	7	34,879	-	34,879	12,437
Charitable activities	8				
The preservation of Hay Castle and the advancement of education		<u>234,359</u>	<u>264,582</u>	<u>498,941</u>	<u>463,331</u>
Total		<u>269,238</u>	<u>264,582</u>	<u>533,820</u>	<u>475,768</u>
NET INCOME/(EXPENDITURE)		120,159	(96,462)	23,697	139,961
Transfers between funds	22	<u>14,832</u>	<u>(14,832)</u>	<u>-</u>	<u>-</u>
Net movement in funds		134,991	(111,294)	23,697	139,961
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>9,491,855</u>	<u>161,899</u>	<u>9,653,754</u>	<u>9,513,793</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>9,626,846</u></u>	<u><u>50,605</u></u>	<u><u>9,677,451</u></u>	<u><u>9,653,754</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST

BALANCE SHEET
30 APRIL 2024

	Notes	Unrestricted funds £	Restricted funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS					
Tangible assets	15	51,136	-	51,136	54,900
Heritage assets	16	10,398,614	-	10,398,614	10,376,090
Investments	17	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		10,449,751	-	10,449,751	10,430,991
CURRENT ASSETS					
Debtors	18	44,100	174,750	218,850	484,045
Cash at bank		<u>446,982</u>	<u>(121,978)</u>	<u>325,004</u>	<u>170,861</u>
		491,082	52,772	543,854	654,906
CREDITORS					
Amounts falling due within one year	19	<u>(1,301,487)</u>	<u>(2,167)</u>	<u>(1,303,654)</u>	<u>(1,409,643)</u>
NET CURRENT ASSETS		<u>(810,405)</u>	<u>50,605</u>	<u>(759,800)</u>	<u>(754,737)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,639,346	50,605	9,689,951	9,676,254
CREDITORS					
Amounts falling due after more than one year	20	<u>(12,500)</u>	<u>-</u>	<u>(12,500)</u>	<u>(22,500)</u>
NET ASSETS		<u>9,626,846</u>	<u>50,605</u>	<u>9,677,451</u>	<u>9,653,754</u>
FUNDS	22				
Unrestricted funds				9,626,846	9,491,855
Restricted funds				<u>50,605</u>	<u>161,899</u>
TOTAL FUNDS				<u>9,677,451</u>	<u>9,653,754</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 2 September 2024 and were signed on its behalf by:


Susan Malthouse - Trustee

The notes form part of these financial statements

HAY CASTLE TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	196,549	180,519
Interest paid		<u>(699)</u>	<u>(947)</u>
Net cash provided by operating activities		<u>195,850</u>	<u>179,572</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(12,644)	(479,002)
Purchase of heritage assets		(22,524)	-
Interest received		<u>3,461</u>	<u>224</u>
Net cash used in investing activities		<u>(31,707)</u>	<u>(478,778)</u>
Cash flows from financing activities			
New loans in year		-	139,000
Loan repayments in year		<u>(10,000)</u>	<u>(10,000)</u>
Net cash (used in)/provided by financing activities		<u>(10,000)</u>	<u>129,000</u>
Change in cash and cash equivalents in the reporting period		154,143	(170,206)
Cash and cash equivalents at the beginning of the reporting period		<u>170,861</u>	<u>341,067</u>
Cash and cash equivalents at the end of the reporting period		<u><u>325,004</u></u>	<u><u>170,861</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2024**

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

	2024 £	2023 £
Net income for the reporting period (as per the Statement of Financial Activities)	23,697	139,961
Adjustments for:		
Depreciation charges	16,408	11,866
Interest received	(3,461)	(224)
Interest paid	699	947
Decrease/(increase) in debtors	265,195	(124,647)
(Decrease)/increase in creditors	(105,989)	152,616
Net cash provided by operations	<u>196,549</u>	<u>180,519</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/5/23 £	Cash flow £	At 30/4/24 £
Net cash			
Cash at bank and in hand	<u>170,861</u>	<u>154,143</u>	<u>325,004</u>
	<u>170,861</u>	<u>154,143</u>	<u>325,004</u>
Debt			
Debts falling due within 1 year	(949,000)	-	(949,000)
Debts falling due after 1 year	<u>(22,500)</u>	<u>10,000</u>	<u>(12,500)</u>
	<u>(971,500)</u>	<u>10,000</u>	<u>(961,500)</u>
Total	<u>(800,639)</u>	<u>164,143</u>	<u>(636,496)</u>

The notes form part of these financial statements

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2024

1. STATUTORY INFORMATION

Hay Castle Trust is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Hay Castle, Oxford Road, Hay-on-Wye, HR3 5DG.

The charity does not have any share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the Trust's operations are described in the Report of the Trustees.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. 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 the UK and Republic of Ireland (FRS 102) (effective January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There have been no material departures from Financial Reporting Standard 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policies.

Going concern

Financial projections have been prepared for a period covering 12 months from the approval of these financial statements. These include both the projected operating results and cashflow projections.

Consideration has also been given to the continued availability of the loan from Lindenleaf CIO, further details of which are provided in note 21.

In these circumstances, the trustees have concluded that no adjustments or additional disclosures are required to the financial statements and are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

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.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income is recognised on a receivable basis.

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

2. ACCOUNTING POLICIES - continued

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.

Expenditure on costs of raising funds include costs of fundraising, advertising, marketing and direct mail materials as well as a consultancy fees.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any residual value, over their expected useful economic life as follows:

Plant and machinery	25% straight line
Fixtures and fittings	10% - 20% straight line
Computer equipment	33% straight line

During the period of restoration, freehold land and buildings were held at cost and not depreciated.

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Investments

Investments are stated at cost less any impairment at the balance sheet date.

Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation if known. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Those heritage assets currently recognised on the balance sheet have indefinite lives and are therefore not depreciated, but reviewed at each reporting date for impairment.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

The Trust maintains a register for its collections of heritage assets which records the nature and current location of each asset.

Taxation

The Trust has been granted exemption from UK corporation tax by virtue of its charitable status. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

2. ACCOUNTING POLICIES - continued

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds which are set aside by the trustees for a specific purpose.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Transfers are made from restricted to unrestricted funds relating to the purchase of fixed assets from restricted income where such expenditure fulfils the terms of the restriction.

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.

3. DONATIONS AND LEGACIES

	2024	restated 2023
	£	£
Donations	87,739	23,154
Gift aid	12,436	5,399
Grants	172,078	424,393
Membership schemes	<u>7,322</u>	<u>14,111</u>
	<u>279,575</u>	<u>467,057</u>

During the year an amount of £51,681 was donated from Hay Castle Trading Limited, the company's 100% owned trading subsidiary. A further restricted donation of £23,000 was received for the event 'Weekend of Mistakes'.

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

3. DONATIONS AND LEGACIES - continued

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

	2024	restated 2023
	£	£
National Lottery Heritage Fund	-	383,329
Welsh Government - LEADER Programme	-	2,000
Arts Council England - Portraits of Writers	-	25,200
The Darkly Trust - purchase of equipment	-	1,857
Federation of Museums and Art Galleries of Wales - The Wild Escape	-	2,912
Brecon Beacons National Park Authority - Community Nature Recovery Grants Scheme	-	490
Welsh Government - GEM Cymru micro grant	-	1,305
Federation of Museums and Art Galleries of Wales - Museum Conference	-	478
National Portrait Gallery - Creative Intern funding	7,681	5,812
Welsh Government - towards operating costs	8,000	-
Garfield Weston Foundation - towards operating costs	20,000	-
Arts Council of Wales: Refugee Artists Exhibition	10,000	-
Colwinston Charitable Trust: Hidden Gifts - Refugee Artists in Wales	11,275	-
The Ashley Family Foundation: April Ashley A Lady in Hay	1,500	-
Brecknock Art Trust - Josef Herman Exhibition	850	-
Arts Council of Wales: April Ashley A Lady in Hay	10,000	-
The Moondance Foundation: towards operating costs	58,760	-
Welsh Historic Gardens Trust: restoration gardens/ grounds	1,020	1,010
Herefordshire Council - UK Shared Prosperity Fund	6,000	-
Hay History group: Display cabinet for archaeological finds	1,500	-
Federation of Museums and Art Galleries of Wales: Art Handling	690	-
The Architectural Heritage Fund; Project Development	29,600	-
Bannau Brycheiniog National Park Authority: Dark Skies	1,434	-
Film Hub Wales: Writing with Light	3,000	-
Bannau Brycheiniog National Park Authority: Remarkable Castles	768	-
	<u>172,078</u>	<u>424,393</u>

4. TRADING ACTIVITIES

	2024	2023
	£	£
Cafe	71,959	61,115
Rental income	26,316	10,888
Venue hire	48,490	23,570
Other income	617	2,307
	<u>147,382</u>	<u>97,880</u>

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

5. INVESTMENT INCOME

	2024	2023
	£	£
Deposit account interest	<u>3,461</u>	<u>224</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2024	restated 2023
	£	£
Tours income	4,636	6,685
Entrance ticket income	73,743	14,943
Heritage and Learning workshops	14,433	15,192
Gallery income	-	5,436
Event income	19,506	8,312
Museums and Galleries Exhibition Tax Relief	14,781	-
	<u>127,099</u>	<u>50,568</u>

7. RAISING FUNDS

Raising donations and legacies

	2024	2023
	£	£
Consultancy fees	6,362	2,400
Professional fees	<u>3,761</u>	<u>-</u>
	<u>10,123</u>	<u>2,400</u>

Trading activities

	2024	restated 2023
	£	£
Professional fees	4,900	-
Cost of venue hire	6,682	-
Depreciation	<u>13,174</u>	<u>10,037</u>
	<u>24,756</u>	<u>10,037</u>

Aggregate amounts	<u>34,879</u>	<u>12,437</u>
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HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9) £	Support costs (see note 10) £	Totals £
The preservation of Hay Castle and the advancement of education	<u>404,763</u>	<u>94,178</u>	<u>498,941</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2024 £	restated 2023 £
Staff costs	140,594	137,161
Heat, light, power, water and waste collection	60,030	66,630
Heritage & learning activities costs	7,735	13,294
Cleaning costs	34,456	28,049
Insurances	23,916	21,020
Postage and stationery	1,300	2,499
Advertising and promotions	5,209	2,850
Exhibition costs	30,445	24,581
Repairs and maintenance	36,693	46,210
Staff & volunteer travel, training and expenses	4,726	2,871
Office expenses	6,826	5,330
Cost of events	52,413	14,135
Recruitment	-	810
Website costs	-	2,760
Bank charges	<u>420</u>	<u>879</u>
	<u>404,763</u>	<u>369,079</u>

10. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Totals £
The preservation of Hay Castle and the advancement of education	<u>58,314</u>	<u>699</u>	<u>26,067</u>	<u>9,098</u>	<u>94,178</u>
2023	<u>57,201</u>	<u>947</u>	<u>31,154</u>	<u>4,950</u>	<u>94,252</u>

11. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Depreciation - owned assets	16,408	11,866
Auditors' remuneration	<u>6,500</u>	<u>4,950</u>

Depreciation is apportioned to include £13,174 (2023: £10,037) within raising funds (note 7) and £3,234 (2023: £1,829) within support costs (note 10).

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration, other benefits or expenses paid for the year ended 30 April 2024 or for the year ended 30 April 2023.

13. STAFF COSTS

	2024 £	2023 £
Wages and salaries	181,931	177,894
Social security costs	12,679	12,740
Employer pension costs	4,298	3,728
	<u>198,908</u>	<u>194,362</u>

The average number of employees during the year was as follows:

	2024	2023
Employees	<u>6</u>	<u>6</u>

No employees received emoluments in excess of £60,000.

The total key management personnel remuneration benefits paid during the year was £58,313 (2023: £57,200).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 30 APRIL 2023

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	42,664	424,393	467,057
Charitable activities			
The preservation of Hay Castle and the advancement of education	50,568	-	50,568
Trading activities	97,880	-	97,880
Investment income	<u>224</u>	<u>-</u>	<u>224</u>
Total	<u>191,336</u>	<u>424,393</u>	<u>615,729</u>
EXPENDITURE ON			
Raising funds	12,437	-	12,437
Charitable activities			
The preservation of Hay Castle and the advancement of education	<u>395,472</u>	<u>67,859</u>	<u>463,331</u>
Total	<u>407,909</u>	<u>67,859</u>	<u>475,768</u>
NET INCOME/(EXPENDITURE)	(216,573)	356,534	139,961
Transfers between funds	<u>245,519</u>	<u>(245,519)</u>	<u>-</u>
Net movement in funds	28,946	111,015	139,961
RECONCILIATION OF FUNDS			
Total funds brought forward	9,462,909	50,884	9,513,793

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 30 APRIL 2023 - continued

	Unrestricted funds £	Restricted funds £	Total funds £
TOTAL FUNDS CARRIED FORWARD	<u>9,491,855</u>	<u>161,899</u>	<u>9,653,754</u>

The comparative data as presented on this year's Statement of Financial Activities has been restated. This restatement is only in respect of reclassifying some income and expenditure between category headers, with no impact on the net reporting result.

15. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 May 2023	17,496	60,162	6,947	84,605
Additions	-	7,678	4,966	12,644
At 30 April 2024	<u>17,496</u>	<u>67,840</u>	<u>11,913</u>	<u>97,249</u>
DEPRECIATION				
At 1 May 2023	11,395	14,141	4,169	29,705
Charge for year	2,003	11,171	3,234	16,408
At 30 April 2024	<u>13,398</u>	<u>25,312</u>	<u>7,403</u>	<u>46,113</u>
NET BOOK VALUE				
At 30 April 2024	<u>4,098</u>	<u>42,528</u>	<u>4,510</u>	<u>51,136</u>
At 30 April 2023	<u>6,101</u>	<u>46,021</u>	<u>2,778</u>	<u>54,900</u>

16. HERITAGE ASSETS

	Total £
COST	
At 1 May 2023	10,376,090
Additions	22,524
At 30 April 2024	<u>10,398,614</u>
NET BOOK VALUE	
At 30 April 2024	<u>10,398,614</u>
At 30 April 2023	<u>10,376,090</u>

Heritage assets comprise of the following:

	2024 £	2023 £
Sculptures and portraits of Richard Booth	5,700	5,700
Property - Castle	<u>10,392,914</u>	<u>10,370,390</u>
	<u>10,398,614</u>	<u>10,376,090</u>

The above assets are held and maintained principally for their contribution to knowledge and culture and in support of the Trust's objectives.

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2023 and 30 April 2024	<u>1</u>
NET BOOK VALUE	
At 30 April 2024	<u>1</u>
At 30 April 2023	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Hay Castle Trading Limited

Registered office: Hay Castle, Oxford Road, Hay-on-Wye, Hereford, United Kingdom, HR3 5DG

Nature of business: Retail

Class of share:	% holding
Ordinary	100

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	23,930	26,302
Other debtors	182,554	391,338
VAT	5,994	63,317
Prepayments	<u>6,372</u>	<u>3,088</u>
	<u>218,850</u>	<u>484,045</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Bank loans and overdrafts (see note 21)	10,000	10,000
Other loans (see note 21)	939,000	939,000
Trade creditors	44,552	118,370
Amounts owed to group undertakings	-	27,116
Other creditors	7,769	3,302
Accruals and deferred income	<u>302,333</u>	<u>311,855</u>
	<u>1,303,654</u>	<u>1,409,643</u>

Included within accruals and deferred income above is the following deferred income:

	2024 £	2023 £
Venue hire	<u>6,672</u>	<u>14,573</u>
	<u>6,672</u>	<u>14,573</u>

All deferred income relates to income received in advance of venue hire dates.

HAY CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2024**

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Bank loans (see note 21)	<u>12,500</u>	<u>22,500</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,000	10,000
Other loans	<u>939,000</u>	<u>939,000</u>
	<u>949,000</u>	<u>949,000</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>12,500</u>	<u>22,500</u>

The bank loan is interest bearing and was drawn under the Bounce Back Loan Scheme.

The other loan is from Lindenleaf CIO under the terms of a funding agreement dated 16 July 2016, as subsequently amended. The loan is interest free and the Trust may repay the loan at any time.

Until 24 May 2027 the lender may:

- at its sole discretion, convert some or all of the loan into a donation;
- request repayment of some or all off the loan if alternative funding is received by the Trust.

The lender shall convert any part of the loan outstanding at 24 May 2027 into a donation.

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

22. MOVEMENT IN FUNDS

	At 1/5/23 £	Net movement in funds £	Transfers between funds £	At 30/4/24 £
Unrestricted funds				
General fund	(939,135)	136,567	(20,336)	(822,904)
Fixed asset fund	<u>10,430,990</u>	<u>(16,408)</u>	<u>35,168</u>	<u>10,449,750</u>
	9,491,855	120,159	14,832	9,626,846
Restricted funds				
National Lottery Heritage Fund	137,810	(124,478)	(13,332)	-
Education and Activity	6,724	(6,724)	-	-
Heritage Skills Training	8,286	(33)	-	8,253
Community Foundation Wales - Ashley				
Family Foundation	8,000	(8,000)	-	-
Welsh Historic Gardens Trust	950	(950)	-	-
Community Nature Recovery	129	(129)	-	-
The Moondance Foundation - salary				
contribution	-	1,846	-	1,846
April: A Lady in Hay	-	10,906	-	10,906
Display cabinet	-	1,500	(1,500)	-
Project Development	<u>-</u>	<u>29,600</u>	<u>-</u>	<u>29,600</u>
	<u>161,899</u>	<u>(96,462)</u>	<u>(14,832)</u>	<u>50,605</u>
TOTAL FUNDS	<u><u>9,653,754</u></u>	<u><u>23,697</u></u>	<u><u>-</u></u>	<u><u>9,677,451</u></u>

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

22. 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	389,397	(252,830)	136,567
Fixed asset fund	-	(16,408)	(16,408)
	389,397	(269,238)	120,159
Restricted funds			
National Lottery Heritage Fund	-	(124,478)	(124,478)
Education and Activity	-	(6,724)	(6,724)
Heritage Skills Training	-	(33)	(33)
Community Foundation Wales - Ashley			
Family Foundation	-	(8,000)	(8,000)
National Portrait Gallery - Creative Intern	7,681	(7,681)	-
Welsh Historic Gardens Trust	1,020	(1,970)	(950)
Community Nature Recovery	-	(129)	(129)
Weekend of Mistakes	23,000	(23,000)	-
Defibrillator	1,042	(1,042)	-
The Moondance Foundation - salary			
contribution	58,760	(56,914)	1,846
Refugee Artists in Wales exhibition	21,275	(21,275)	-
Josef Herman exhibition	850	(850)	-
April: A Lady in Hay	11,500	(594)	10,906
UK Shared Prosperity Fund	6,000	(6,000)	-
Display cabinet	1,500	-	1,500
Art handling	690	(690)	-
Project Development	29,600	-	29,600
Dark Skies exhibition	1,434	(1,434)	-
Writing with Light	3,000	(3,000)	-
Remarkable Castles	768	(768)	-
	168,120	(264,582)	(96,462)
TOTAL FUNDS	557,517	(533,820)	23,697

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/5/22 £	Net movement in funds £	Transfers between funds £	At 30/4/23 £
Unrestricted funds				
General fund	(500,945)	(204,707)	(233,483)	(939,135)
Fixed asset fund	<u>9,963,854</u>	<u>(11,866)</u>	<u>479,002</u>	<u>10,430,990</u>
	9,462,909	(216,573)	245,519	9,491,855
Restricted funds				
National Lottery Heritage Fund	-	383,329	(245,519)	137,810
Education and Activity	6,724	-	-	6,724
Heritage Skills Training	8,501	(215)	-	8,286
National Lottery Community Fund	25,225	(25,225)	-	-
Hay Castle Retail start-up	2,434	(2,434)	-	-
Community Foundation Wales - Ashley Family Foundation	8,000	-	-	8,000
Welsh Historic Gardens Trust	-	950	-	950
Community Nature Recovery	<u>-</u>	<u>129</u>	<u>-</u>	<u>129</u>
	<u>50,884</u>	<u>356,534</u>	<u>(245,519)</u>	<u>161,899</u>
TOTAL FUNDS	<u>9,513,793</u>	<u>139,961</u>	<u>-</u>	<u>9,653,754</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	191,336	(396,043)	(204,707)
Fixed asset fund	<u>-</u>	<u>(11,866)</u>	<u>(11,866)</u>
	191,336	(407,909)	(216,573)
Restricted funds			
National Lottery Heritage Fund	383,329	-	383,329
Heritage Skills Training	-	(215)	(215)
Welsh Government - LEADER Programme	2,000	(2,000)	-
National Lottery Community Fund	-	(25,225)	(25,225)
Hay Castle Retail start-up	-	(2,434)	(2,434)
Purchase of equipment	1,857	(1,857)	-
National Portrait Gallery - Creative Intern	5,812	(5,812)	-
Portraits of Writers exhibition	25,200	(25,200)	-
The Wild Escape	2,912	(2,912)	-
Welsh Historic Gardens Trust	1,010	(60)	950
Community Nature Recovery	490	(361)	129
GEM Cymru micro grant	1,305	(1,305)	-
Museum conference	<u>478</u>	<u>(478)</u>	<u>-</u>
	<u>424,393</u>	<u>(67,859)</u>	<u>356,534</u>
TOTAL FUNDS	<u>615,729</u>	<u>(475,768)</u>	<u>139,961</u>

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

22. MOVEMENT IN FUNDS - continued

Designated fixed asset fund

The fixed asset fund represents the net book value of tangible fixed assets including heritage assets.

National Lottery Heritage Fund

Grant funding received from the National Lottery Heritage Fund, for further development phases of Hay Castle.

Education and Activity

Funding was received in a previous year of £10,000 from The Hobson Charity to support the education and activity programme at Hay Castle.

Heritage Skills Training

Funding was received in a previous year of £20,000 from The Dulverton Trust, and £25,675 from the Andrew Lloyd Webber Foundation which is to be used to establish a heritage skill training programme. The balance will be used to support future activities.

Community Foundation Wales - Ashley Family Foundation

Funding was received in a previous year of £8,000 received towards artistic production/materials, marketing and publicity, artist fees, artist travel costs and expenses, art transport, insurance and installation, project management and evaluation.

National Portrait Gallery - Creative Intern

Funding was received from the National Portrait Gallery specifically to cover the salary and on-costs of an Intern placement at Hay Castle.

Welsh Historic Gardens Trust

The funding was for improvements to the gardens and grounds work.

Community Nature Recovery grant

Funding received from the Brecon Beacons National Park Authority, under the Communities Nature Recovery Grants Scheme towards a wildflower project completed in the year.

Weekend of Mistakes

A donation of £23,000 was received towards the celebrated Library of Mistakes, in residence at Hay Castle 1st - 3rd March 2024. This comprised historians, financial experts, investments sages for a wealth of wisdom and a weekend of financial booms and busts, bubbles, swindles, panics and crashes.

Defibrillator

Donations received towards the purchase of a defibrillator.

The Moondance Foundation - salary contribution

A grant of £58,760 was received from The Moondance Foundation towards the salary costs of the Executive Director for 6 months plus the salary costs of the Learning and Activities manager for 12 months.

Refugee Artists in Wales exhibition

Grants were received from Arts Council of Wales £10,000 and Colwinston Charitable Trust £11,275 towards Refugee Artists in Wales exhibition.

Josef Herman exhibition

Grant of £850 received from the Brecknock Art Trust towards the costs of the Josef Herman exhibition.

April: A Lady in Hay exhibition

Grants were received from The Ashley Family Foundation £1,500 and Arts Council of Wales £10,000 towards the April: A Lady in Hay exhibition.

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

22. MOVEMENT IN FUNDS - continued

UK Shared Prosperity Fund

Grant funding was received via Herefordshire Council under Project title: Drawbridge: Hay Castle Open Exhibition Application.

Display cabinet

A grant of £1,500 was received from Hay Castle Group towards the cost a display cabinet.

Art handling

Funding of £690 was received from the Federation of Museums and Arts Galleries of Wales towards Art handling training that was delivered in the year.

Project development

A grant of £29,600 was received from The Architectural Heritage Fund for project development at Hay Castle. This funding was received in March 2024 and will be utilised in the next financial year.

Dark Skies

Funding was received from Bannau Brycheiniog National Park Authority towards the costs of the exhibition Dark Skies. This exhibition of the work of artist and photographer Judy Goldhill explored our complex relationship to darkness and the night.

Writing with Light

Grant funding from Film Hub Wales for project entitled: Writing with Light. The objective of the project was for young audiences, public engagement, screen heritage and inclusion.

Remarkable Castles

Funded provided by Bannau Brycheiniog National Park Authority towards the publication of the Remarkable Castles booklet.

Comparative year only

National Lottery Community Fund

Notification of a grant was received on 27 July 2017 from the National Lottery funded Rural programme - Community Grants for the Hay Castle Community Hub. The purpose of the funding was to reduce isolation for community members and to improve the skills of residents and visitors in Hay-on-Wye.

Hay Castle Retail start-up

Funding of £11,000 was received from the Brecon Beacons National Park Sustainable Development Fund to support the renovation cost for 5 retail start-up units at Hay Castle.

LEADER Programme

Notification of a grant was received initially on 16 June 2017 from the Welsh Government Rural Communities - The LEADER Programme in Powys for a Hay Castle Digital Project. This year, a final tranche of funding of £2,000 was received.

Purchase of equipment

Funding of £1,857 was received from The Darkly Trust towards equipment costs.

Portraits of Writers exhibition

A grant of £25,200 was received from Arts Council England to support the first exhibition in the gallery at the Castle entitled "Portraits of Writers".

The Wild Escape

Funding was received from the Federation of Museums and Art Galleries of Wales for The Wild Escape, a project led by Art Fund and made possible with support from Arts Council England's National Lottery Project grants.

HAY CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2024

22. MOVEMENT IN FUNDS - continued

GEM Cymru micro grant

Funded by Welsh Government, the objective of the grant is to encourage innovative thinking, practice and evaluation of new resources and curriculum for Wales specific activities for museums to deliver to schools.

Museum conference

Funding was received from the Federation of Museums and Art Galleries of Wales towards a museum conference.

Transfers between funds

A transfer of £1,500 was made from the restricted display cabinet fund to the general fund in respect of the funding spent on fixed assets.

A transfer of £13,332 was made from the National Lottery Heritage Fund to the general fund in respect of the funding spent on the capital project.

A transfer of £35,168 was made from the general fund to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

Comparative year

A transfer of £245,519 was made from the National Lottery Heritage Fund to the general fund in respect of the funding spent on the capital project.

In addition a transfer of £479,002 was made from the general fund to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

23. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £4,298 (2023: £3,728).

Contributions totalling £Nil (2023: £877) were payable to the scheme at the year end and are included in other creditors.

24. CONTINGENT LIABILITIES

In line with the terms of the grant, prior approval from the National Lottery Heritage Fund is required should the property be sold and the National Lottery Heritage Fund may require a share of the net proceeds. It is not the intention of the trustees to sell the property.

On 19 June 2024 a legal charge over the property known as Hay Castle, was filed in favour of The Trustees of the National Heritage Memorial Fund in relation to the funding provided by the National Lottery Heritage Fund for the restoration of the Castle.

25. RELATED PARTY DISCLOSURES

During the financial year, the charity received a donation of £51,681 (2022: £Nil) from its 100% owned trading subsidiary, Hay Castle Trading Limited.

HAY CASTLE TRUST

England & Wales - Charity number 1144524

Accounts

REGISTERED COMPANY NUMBER: 07639471 (England and Wales)
REGISTERED CHARITY NUMBER: 1144524

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
FOR
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

MHA
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

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Notes to the Cash Flow Statement	12
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**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

The trustees, who are also directors for the purposes of the Companies Act 2006, present their report with the financial statements of the Trust for the year ended 30 April 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's primary objective is to preserve the heritage and assure the future of Hay Castle in Hay-on-Wye. The Trust aims to promote community and visitor involvement in an active, living amenity which is a focal feature of the town and surrounding area.

Operational strategies for achieving this objective and these aims include:

- stewardship and maintenance of the Castle and of its adjoining buildings, grounds and gardens;
- promoting education on the history and architecture of the Castle and local history generally;
- provision of a venue for cultural enrichment through the arts;
- generating training opportunities in relevant local skills;
- providing a venue and a forum for community benefit and enjoyment;
- securing sufficient funding to meet the Trust's objectives; and
- operating the Castle as an income-generating venue, sufficient to ensure its long-term survival as a cultural venue and community asset.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning activities for the year.

ACHIEVEMENT AND PERFORMANCE

The restoration of the main building has been successfully completed and the Castle opened to the public on 27 May 2022.

We welcomed over 130,000 visitors during the financial year.

Income arises from visitor admission fees, donations, and Castle tours. Income also arises from events held within the Castle's grounds, as well as from the shop and the outsourced café.

Admission fees were introduced, with effect from 20 March 2023, to strengthen the financial sustainability of the Trust, especially in light of cost inflation. The admission arrangements were designed following consultation with the local community and include a local pass providing free entry for those living within a ten mile radius of the Castle. We have also relaunched our Friends and Keepers schemes, enabling supporters to contribute to the Trust at various levels.

Four major exhibitions have been opened:

- Portraits of Writers, comprising paintings and photographs on loan from the National Portrait Gallery, ran between May 2022 and September 2022.
- The Printed Line, in collaboration with Arts Council England, ran between October 2022 and February 2023.
- Eugene Fisk: Life in Colour, featuring works by a local artist, ran between February 2023 and May 2023.
- Architecture & Poetry opened in May 2023 and will run until September 2023.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

ACHIEVEMENT AND PERFORMANCE (continued)

We ran a programme of talks and events for the local community and visitors covering a wide range of topics, from life drawing to the history of money.

Robert Collingwood was appointed as trustee during the period, bringing additional architectural, business and not for profit sector experience to the trustee body.

Two founding trustees, Paul Greatbatch and Elizabeth Haycox have retired as trustees, along with Robert Hughes who became a trustee in 2015. The restoration project would not have been possible without their vision, commitment, resilience and support.

The Castle could not operate without our dedicated team of volunteers who welcome visitors to the Castle, run tours, assist in the shop and help to maintain the grounds.

The Trust continues to work towards full Museum Accreditation, having already been granted the status of Working Toward Accreditation. We are working with the National Portrait Gallery's Skills and Knowledge Programme to enhance our curatorial expertise. We welcomed a creative intern for six months, supported by the National Portrait Gallery.

FINANCIAL REVIEW

The attached financial statements reflect the transactions and position of the Trust for the year to 30 April 2023. The Statement of Financial Activities shows a net income for the year of £139,961 (2022 - net income £1,127,536). In accordance with the accounting policies all grant income (including capital grants) has been recognised in the Statement of Financial Activities.

Principal funders

We are extremely grateful for the continued support of the organisations that provide funding for our capital and operational projects. The National Lottery Heritage Fund awarded additional grant funding of £255,937 during the year (a further £127,392 of income recognised in respect of funding retentions). Lindenleaf CIO provided an additional loan of £139,000 and Arts Council England provided £25,200 for the Portraits of Writers exhibition. Subsequent to the year end, The Moondance Foundation awarded a grant of £59,000.

Reserves

The trustees have considered the need for free reserves to provide financial resilience. The target is an amount sufficient to cover at least three months budgeted operating expenses, or approximately £120,000.

The unrestricted reserves as at 30 April 2023 amount to £9,491,855. After deducting the value of fixed assets, adding the £939,000 loan from Lindenleaf CIO (the terms of which are set out in note 21 to the financial statements) and adding the distributable reserves of £51,000 in the subsidiary company (Hay Castle Trading Limited), the adjusted free reserves at 30 April 2023 amount to approximately £51,000, or 42% of the target amount. It is in the intention to strengthen the reserves position over time.

FUTURE PLANS

The vision of the Trust is to ensure that the Castle remains attractive both to the local community and visitors from further afield through the continued provision of high quality activities, including exhibitions and events as well as retail and catering outlets.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The power of appointing new or additional trustees is vested in the trustees.

Organisational structure

Governance and the financial health of the Trust are the responsibility of the trustees. None of the trustees has any beneficial interest in the Trust. All the trustees are members of the Trust and guarantee to contribute a sum not exceeding £10 in the event of a winding up.

The Castle is operated on a day-to-day basis by the Executive Director and his team. Following the completion of the first year of operation, staff appraisals have been undertaken and development opportunities identified.

Induction and training of new trustees

Trustees are expected to identify their training needs and take measures to ensure these needs are met.

Key management remuneration

The pay of senior staff is set by the Trustees having regard to market rates.

Risk management

A risk register is regularly updated and is reviewed at each board meeting. The key risks considered during the year included:

- Completion of the restoration project and agreement of the final account with the contractor. The restoration is now substantially complete and the final account has been agreed.
- The financial sustainability of the Trust, especially in view of cost inflation. Admission fees have been introduced with effect from 20 March 2023 and grant funding continues to be pursued.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07639471 (England and Wales)

Registered Charity number
1144524

Registered office

Hay Castle
Oxford Road
HAY-ON-WYE
Powys
HR3 5DG

Trustees

The current trustees are:

Jennifer Bennett	
Robert Collingwood	Appointed 18 April 2023
Edward Fox	
Christopher Fyles	
Fiona Howard	
Susan Malthouse	Chair
Carol Peace	
Stephen Purse	
Alice Sherwood	

The following trustees also held office during the year:

Paul Greatbatch	Resigned 21 October 2022
Elizabeth Haycox	Resigned 21 October 2022
Robert Hughes	Resigned 19 May 2023

Senior management

Tom True	Executive Director
----------	--------------------

Auditors

MHA
Statutory Auditor
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
CF23 8RS

Bankers

Barclays
1-3 Broad Street
Hereford
HR4 9BH

CHANGE OF NAME

The name of the charitable company was changed from Hay Castle Trust Limited to Hay Castle Trust with effect from 7 March 2023.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hay Castle 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

On 30 June 2023 as a result of a recent merger, Watts Gregory LLP resigned as auditors in accordance with Section 516 of the Companies Act 2006 and re-engaged its services as MHA.

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

Approved by order of the Board of Trustees *14th August 2023* and signed on its behalf by:


Susan Malthouse - Trustee

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

Opinion

We have audited the financial statements of Hay Castle Trust (the 'charitable company') for the year ended 30 April 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 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 charitable company's affairs as at 30 April 2023 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 Auditor 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 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 charitable company'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 Annual Report, other than the financial statements and our Report of the Independent Auditors thereon. The trustees are responsible for the other information.

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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees, which includes the Directors' Report, prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Trustees and from the requirement to prepare a Strategic Report.

Responsibilities of trustees

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

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

Auditor 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 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- Enquiries of management, those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing minutes of meetings of those charged with governance;
- evaluating the reasons for any large or unusual transactions;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations to underlying supporting documentation.

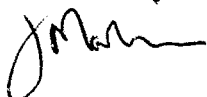
Because of the inherent limitations of an audit there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. The risk increases the more that compliance with a law or regulation is removed 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 involved intentional concealment, forgery, collusion, omission or misrepresentations.

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 Auditor.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of MHA Statutory Auditor
CARDIFF, United Kingdom

Date: 16 August 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	42,664	392,998	435,662	1,279,529
Charitable activities	6				
Advancing education on the architecture of Hay Castle, local history and the arts		50,568	31,395	81,963	-
Trading activities	4	97,880	-	97,880	9,781
Investment income	5	224	-	224	15
Total		<u>191,336</u>	<u>424,393</u>	<u>615,729</u>	<u>1,289,325</u>
EXPENDITURE ON					
Raising funds	7	26,572	-	26,572	1,748
Charitable activities	8				
Preservation of Hay Castle		12,214	-	12,214	160,041
Advancing education on the architecture of Hay Castle, local history and the arts		369,123	67,859	436,982	-
Total		<u>407,909</u>	<u>67,859</u>	<u>475,768</u>	<u>161,789</u>
NET INCOME/(EXPENDITURE)		(216,573)	356,534	139,961	1,127,536
Transfers between funds	22	245,519	(245,519)	-	-
Net movement in funds		28,946	111,015	139,961	1,127,536
RECONCILIATION OF FUNDS					
Total funds brought forward		9,462,909	50,884	9,513,793	8,386,257
TOTAL FUNDS CARRIED FORWARD		<u>9,491,855</u>	<u>161,899</u>	<u>9,653,754</u>	<u>9,513,793</u>

The notes form part of these financial statements

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

BALANCE SHEET
30 APRIL 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Tangible assets	15	54,900	-	54,900	9,958,154
Heritage assets	16	10,376,090	-	10,376,090	5,700
Investments	17	1	-	1	1
		10,430,991	-	10,430,991	9,963,855
CURRENT ASSETS					
Debtors	18	106,831	377,214	484,045	359,398
Cash at bank and in hand		386,176	(215,315)	170,861	341,067
		493,007	161,899	654,906	700,465
CREDITORS					
Amounts falling due within one year	19	(1,409,643)	-	(1,409,643)	(1,118,027)
NET CURRENT ASSETS/(LIABILITIES)		<u>(916,636)</u>	<u>161,899</u>	<u>(754,737)</u>	<u>(417,562)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,514,355	161,899	9,676,254	9,546,293
CREDITORS					
Amounts falling due after more than one year	20	(22,500)	-	(22,500)	(32,500)
NET ASSETS		<u>9,491,855</u>	<u>161,899</u>	<u>9,653,754</u>	<u>9,513,793</u>
FUNDS	22				
Unrestricted funds				9,491,855	9,462,909
Restricted funds				161,899	50,884
TOTAL FUNDS				<u>9,653,754</u>	<u>9,513,793</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 14th August 2023 and were signed on its behalf by:


Susan Malthouse - Trustee

The notes form part of these financial statements

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	180,519	1,233,994
Interest paid		<u>(947)</u>	<u>(892)</u>
Net cash provided by operating activities		<u>179,572</u>	<u>1,233,102</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(479,002)	(1,253,131)
Interest received		<u>224</u>	<u>15</u>
Net cash used in investing activities		<u>(478,778)</u>	<u>(1,253,116)</u>
Cash flows from financing activities			
New loans in year		139,000	150,000
Loan repayments in year		<u>(10,000)</u>	<u>(7,500)</u>
Net cash provided by financing activities		<u>129,000</u>	<u>142,500</u>
Change in cash and cash equivalents in the reporting period		(170,206)	122,486
Cash and cash equivalents at the beginning of the reporting period		<u>341,067</u>	<u>218,581</u>
Cash and cash equivalents at the end of the reporting period		<u><u>170,861</u></u>	<u><u>341,067</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023

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

	2023 £	2022 £
Net income for the reporting period (as per the Statement of Financial Activities)	139,961	1,127,536
Adjustments for:		
Depreciation charges	11,866	1,421
Interest received	(224)	(15)
Interest paid	947	892
(Increase)/decrease in debtors	(124,647)	152,129
Increase/(decrease) in creditors	<u>152,616</u>	<u>(47,969)</u>
Net cash provided by operations	<u>180,519</u>	<u>1,233,994</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/5/22 £	Cash flow £	At 30/4/23 £
Net cash			
Cash at bank and in hand	<u>341,067</u>	<u>(170,206)</u>	<u>170,861</u>
	<u>341,067</u>	<u>(170,206)</u>	<u>170,861</u>
Debt			
Debts falling due within 1 year	(810,000)	(139,000)	(949,000)
Debts falling due after 1 year	<u>(32,500)</u>	<u>10,000</u>	<u>(22,500)</u>
	<u>(842,500)</u>	<u>(129,000)</u>	<u>(971,500)</u>
Total	<u>(501,433)</u>	<u>(299,206)</u>	<u>(800,639)</u>

The notes form part of these financial statements

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

1. STATUTORY INFORMATION

Hay Castle Trust is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Hay Castle, Oxford Road, Hay-on-Wye, HR3 5DG.

The charity does not have any share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the Trust's operations are described in the Report of the Trustees.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. 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 the UK and Republic of Ireland (FRS 102) (effective January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There have been no material departures from Financial Reporting Standard 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policies.

Going concern

Financial projections have been prepared for a period covering 12 months from the approval of these financial statements. These include both the projected operating results and the cash flows relating to the agreement of the final account with the contractor for the restoration project. The key assumptions are the estimated visitor footfall, which has been based on experience since opening to the public in May 2022, and the availability of grant funding.

Consideration has also been given to the continued availability of the loan from Lindenleaf CIO, further details of which are provided in note 21.

In these circumstances, the trustees have concluded that no adjustments or additional disclosures are required to the financial statements and are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

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.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

2. ACCOUNTING POLICIES - continued

Income

Investment income is recognised on a receivable basis.

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.

Expenditure on costs of raising funds include costs of fundraising, advertising, marketing and direct mail materials as well as a consultancy fees.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any residual value, over their expected useful economic life as follows:

Plant and machinery	25% straight line
Fixtures and fittings	10% - 20% straight line
Computer equipment	33% straight line

During the period of restoration, freehold land and buildings were held at cost and not depreciated.

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Investments

Investments are stated at cost less any impairment at the balance sheet date.

Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation if known. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Those heritage assets currently recognised on the balance sheet have indefinite lives and are therefore not depreciated but reviewed at each reporting date for impairment.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

The Trust maintains a register for its collections of heritage assets which records the nature and current location of each asset.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

2. ACCOUNTING POLICIES - continued

Taxation

The Trust has been granted exemption from UK corporation tax by virtue of its charitable status. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds which are set aside by the trustees for a specific purpose.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Transfers are made from restricted to unrestricted funds relating to the purchase of fixed assets from restricted income where such expenditure fulfils the terms of the restriction.

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.

3. DONATIONS AND LEGACIES

	2023	2022
	£	£
Donations	23,154	2,625
Gift aid	5,399	70
Grants	392,998	1,273,674
Membership schemes	14,111	3,160
	<u>435,662</u>	<u>1,279,529</u>

Included within donations above, are donations received from art works donated by The Kilvert Gallery for sale by Hay Castle Trust.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

3. DONATIONS AND LEGACIES - continued

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

	2023	2022
	£	£
National Lottery Heritage Fund	383,329	863,859
Welsh Government - LEADER Programme	2,000	6,194
Welsh Government - Wales Cultural Recovery Fund	-	103,621
The Moondance Foundation - COVID support	-	150,000
Welsh Government - Restoration of Hay Castle	-	150,000
The Darkly Trust - purchase of equipment	1,857	-
National Portrait Gallery - Creative Intern funding	5,812	-
	<u>392,998</u>	<u>1,273,674</u>

4. TRADING ACTIVITIES

	2023	2022
	£	£
Honesty bookshop sales	-	2,740
Cafe	61,115	-
Rental income	10,888	7,041
Venue hire	23,570	-
Other income	2,307	-
	<u>97,880</u>	<u>9,781</u>

5. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>224</u>	<u>15</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	2023	2022
	£	£
Tours income	6,685	-
Entrance ticket income	14,943	-
Heritage and Learning workshops	15,192	-
Grants	31,395	-
Gallery income	5,436	-
Event income	8,312	-
	<u>81,963</u>	<u>-</u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

6. INCOME FROM CHARITABLE ACTIVITIES - continued

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

	2023	2022
	£	£
Arts Council England - Portraits of Writers	25,200	-
Federation of Museums and Art Galleries of Wales - The Wild Escape	2,912	-
Welsh Historic Gardens Trust	1,010	-
Brecon Beacons National Park Authority - Community Nature Recovery Grants Scheme	490	-
Welsh Government - GEM Cymru micro grant	1,305	-
Federation of Museums and Art Galleries of Wales - Museum Conference	478	-
	<u>31,395</u>	<u>-</u>

7. RAISING FUNDS

Raising donations and legacies

	2023	2022
	£	£
Consultancy fees	<u>2,400</u>	<u>691</u>

Trading activities

	2023	2022
	£	£
Cost of functions and events	14,135	435
Depreciation	<u>10,037</u>	<u>622</u>
	<u>24,172</u>	<u>1,057</u>

Total	<u>26,572</u>	<u>1,748</u>
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8. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 9)	Support costs (see note 10)	Totals
	£	£	£
Preservation of Hay Castle	12,214	-	12,214
Advancing education on the architecture of Hay Castle, local history and the arts	<u>342,730</u>	<u>94,252</u>	<u>436,982</u>
	<u>354,944</u>	<u>94,252</u>	<u>449,196</u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023	2022
	£	£
Staff costs	137,161	11,698
Heat, light, power, water and waste collection	66,630	32,414
Heritage & learning activities costs	13,294	-
Cleaning costs	28,049	-
Insurances	21,020	16,740
Postage and stationery	2,499	34
Advertising and promotions	2,850	5,666
Gallery expenses	24,581	-
Repairs and maintenance	46,210	9,361
Staff & volunteer travel, training and expenses	2,871	419
Office expenses	5,330	1,427
Recruitment	810	18,175
Website costs	2,760	1,400
Bank charges	879	164
	<u>354,944</u>	<u>97,498</u>

10. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Totals £
Advancing education on the architecture of Hay Castle, local history and the arts	<u>57,201</u>	<u>947</u>	<u>31,154</u>	<u>4,950</u>	<u>94,252</u>
2022	<u>38,852</u>	<u>892</u>	<u>18,029</u>	<u>4,770</u>	<u>62,543</u>

11. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Depreciation - owned assets	11,866	1,421
Auditors' remuneration	<u>4,950</u>	<u>4,000</u>

Depreciation is apportioned to include £10,037 (2022: £622) within raising funds (note 7) and £1,829 (2022: £799) within support costs (note 10).

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration, other benefits or expenses paid for the year ended 30 April 2023 or for the year ended 30 April 2022.

13. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	177,894	94,639
Social security costs	12,740	4,520
Employer pension costs	<u>3,728</u>	<u>1,956</u>
	<u>194,362</u>	<u>101,115</u>

The average number of employees during the year was as follows:

	2023	2022
Employees	<u>6</u>	<u>3</u>

No employees received emoluments in excess of £60,000.

Staff costs amounting to £NIL (2022 - £50,565) have been capitalised during the year.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - 30 APRIL 2022

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	259,476	1,020,053	1,279,529
Trading activities	9,781	-	9,781
Investment income	15	-	15
Total	<u>269,272</u>	<u>1,020,053</u>	<u>1,289,325</u>
EXPENDITURE ON			
Raising funds	1,748	-	1,748
Charitable activities			
Preservation of Hay Castle	101,355	58,686	160,041
Total	<u>103,103</u>	<u>58,686</u>	<u>161,789</u>
NET INCOME	166,169	961,367	1,127,536
Transfers between funds	1,153,686	(1,153,686)	-
Net movement in funds	1,319,855	(192,319)	1,127,536
RECONCILIATION OF FUNDS			
Total funds brought forward	8,143,054	243,203	8,386,257
TOTAL FUNDS CARRIED FORWARD	<u>9,462,909</u>	<u>50,884</u>	<u>9,513,793</u>

15. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2022	9,945,104	13,031	10,911	6,947	9,975,993
Additions	425,286	4,465	49,251	-	479,002
Reclassification	(10,370,390)	-	-	-	(10,370,390)
At 30 April 2023	<u>-</u>	<u>17,496</u>	<u>60,162</u>	<u>6,947</u>	<u>84,605</u>
DEPRECIATION					
At 1 May 2022	-	9,486	6,013	2,340	17,839
Charge for year	-	1,909	8,128	1,829	11,866
At 30 April 2023	<u>-</u>	<u>11,395</u>	<u>14,141</u>	<u>4,169</u>	<u>29,705</u>
NET BOOK VALUE					
At 30 April 2023	<u>-</u>	<u>6,101</u>	<u>46,021</u>	<u>2,778</u>	<u>54,900</u>
At 30 April 2022	<u>9,945,104</u>	<u>3,545</u>	<u>4,898</u>	<u>4,607</u>	<u>9,958,154</u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

15. TANGIBLE FIXED ASSETS - continued

Following the successful restoration of the main building, the trustees have re-assessed the classification of the Castle as a Heritage asset. See Note 16.

16. HERITAGE ASSETS

	Total £
COST	
At 1 May 2022	5,700
Reclassification	<u>10,370,390</u>
At 30 April 2023	<u>10,376,090</u>
NET BOOK VALUE	
At 30 April 2023	<u>10,376,090</u>
At 30 April 2022	<u>5,700</u>

Heritage assets comprise of the following:

	2023 £	2022 £
Sculptures and portraits of Richard Booth	5,700	5,700
Property - Castle	<u>10,370,390</u>	<u>-</u>
	<u>10,376,090</u>	<u>5,700</u>

The above assets are held and maintained principally for their contribution to knowledge and culture and in support of the Trust's objectives.

17. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2022 and 30 April 2023	<u>1</u>
NET BOOK VALUE	
At 30 April 2023	<u>1</u>
At 30 April 2022	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Hay Castle Trading Limited

Registered office: Hay Castle, Oxford Road, Hay-on-Wye, Hereford, United Kingdom, HR3 5DG

Nature of business: Retail (Dormant until May 2022)

Class of share:	%
Ordinary	holding 100

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	26,302	120
Other debtors	391,338	307,935
VAT	63,317	43,106
Prepayments and accrued income	<u>3,088</u>	<u>8,237</u>
	<u>484,045</u>	<u>359,398</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loan (see note 21)	10,000	10,000
Other loan (see note 21)	939,000	800,000
Trade creditors	118,370	174,546
Amounts owed to group undertakings	27,116	1
Social security and other taxes	-	4,034
Other creditors	3,302	1,297
Accruals and deferred income	<u>311,855</u>	<u>128,149</u>
	<u>1,409,643</u>	<u>1,118,027</u>

Included within accruals and deferred income above is the following deferred income:

	2023	2022
	£	£
Venue hire	<u>14,573</u>	<u>-</u>
	<u>14,573</u>	<u>-</u>

All deferred income relates to income received in advance of venue hire dates.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Bank loan (see note 21)	<u>22,500</u>	<u>32,500</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loan	10,000	10,000
Other loan	<u>939,000</u>	<u>800,000</u>
	<u>949,000</u>	<u>810,000</u>
Amounts falling between one and two years:		
Bank loan - 1-2 years	<u>22,500</u>	<u>32,500</u>

The bank loan is interest bearing and was drawn under the Bounce Back Loan Scheme.

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

21. LOANS - continued

The other loan is from Lindenleaf CIO under the terms of a funding agreement dated 16 July 2016, as subsequently amended. The loan is interest free and the Trust may repay the loan at any time.

Until 24 May 2027 the lender may:

- at its sole discretion, convert some or all of the loan into a donation;
- request repayment of some or all off the loan if alternative funding is received by the Trust.

The lender shall convert any part of the loan outstanding at 24 May 2027 into a donation.

22. MOVEMENT IN FUNDS

	At 1/5/22 £	Net movement in funds £	Transfers between funds £	At 30/4/23 £
Unrestricted funds				
General fund	(500,945)	(204,707)	(233,483)	(939,135)
Fixed asset fund	<u>9,963,854</u>	<u>(11,866)</u>	<u>479,002</u>	<u>10,430,990</u>
	9,462,909	(216,573)	245,519	9,491,855
Restricted funds				
National Lottery Heritage Fund	-	383,329	(245,519)	137,810
Education and Activity	6,724	-	-	6,724
Heritage Skills Training	8,501	(215)	-	8,286
National Lottery Community Fund	25,225	(25,225)	-	-
Hay Castle Retail start-up	2,434	(2,434)	-	-
Community Foundation Wales - Ashley				
Family Foundation	8,000	-	-	8,000
Welsh Historic Gardens Trust	-	950	-	950
Community Nature Recovery	<u>-</u>	<u>129</u>	<u>-</u>	<u>129</u>
	<u>50,884</u>	<u>356,534</u>	<u>(245,519)</u>	<u>161,899</u>
TOTAL FUNDS	<u><u>9,513,793</u></u>	<u><u>139,961</u></u>	<u><u>-</u></u>	<u><u>9,653,754</u></u>

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

22. 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	191,336	(396,043)	(204,707)
Fixed asset fund	-	(11,866)	(11,866)
	191,336	(407,909)	(216,573)
Restricted funds			
National Lottery Heritage Fund	383,329	-	383,329
Heritage Skills Training	-	(215)	(215)
Welsh Government - LEADER Programme	2,000	(2,000)	-
National Lottery Community Fund	-	(25,225)	(25,225)
Hay Castle Retail start-up	-	(2,434)	(2,434)
Purchase of equipment	1,857	(1,857)	-
National Portrait Gallery - Creative Intern	5,812	(5,812)	-
Portraits of Writers exhibition	25,200	(25,200)	-
The Wild Escape	2,912	(2,912)	-
Welsh Historic Gardens Trust	1,010	(60)	950
Community Nature Recovery	490	(361)	129
GEM Cymru micro grant	1,305	(1,305)	-
Museum conference	478	(478)	-
	424,393	(67,859)	356,534
TOTAL FUNDS	615,729	(475,768)	139,961

HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

22. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/5/21 £	Net movement in funds £	Transfers between funds £	At 30/4/22 £
Unrestricted funds				
General fund	(569,090)	166,169	(98,024)	(500,945)
Fixed asset fund	<u>8,712,144</u>	<u>-</u>	<u>1,251,710</u>	<u>9,963,854</u>
	8,143,054	166,169	1,153,686	9,462,909
Restricted funds				
National Lottery Heritage Fund	-	818,302	(818,302)	-
Regeneration of Hay Castle	108,240	150,000	(258,240)	-
Education and Activity	9,909	(3,185)	-	6,724
Heritage Skills Training	32,435	-	(23,934)	8,501
Powys War Memorials Project	2,570	(2,570)	-	-
Esmee Fairbairn Foundation	32,745	-	(32,745)	-
Rural Communities Development Fund	1,000	-	(1,000)	-
National Lottery Community Fund	25,225	-	-	25,225
Hay Castle Retail start-up	2,434	-	-	2,434
Community Foundation Wales - Ashley				
Family Foundation	8,000	-	-	8,000
Medieval Costumes community project	1,180	(1,180)	-	-
Development of steps linking Castle and town	4,465	-	(4,465)	-
Clore Cultural Learning space	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
	<u>243,203</u>	<u>961,367</u>	<u>(1,153,686)</u>	<u>50,884</u>
TOTAL FUNDS	<u>8,386,257</u>	<u>1,127,536</u>	<u>-</u>	<u>9,513,793</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	269,272	(103,103)	166,169
Restricted funds			
National Lottery Heritage Fund	863,859	(45,557)	818,302
Regeneration of Hay Castle	150,000	-	150,000
Education and Activity	-	(3,185)	(3,185)
Powys War Memorials Project	-	(2,570)	(2,570)
Welsh Government - LEADER Programme	6,194	(6,194)	-
Medieval Costumes community project	<u>-</u>	<u>(1,180)</u>	<u>(1,180)</u>
	<u>1,020,053</u>	<u>(58,686)</u>	<u>961,367</u>
TOTAL FUNDS	<u>1,289,325</u>	<u>(161,789)</u>	<u>1,127,536</u>

Designated fixed asset fund

The fixed asset fund represents the net book value of tangible fixed assets including heritage assets.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

22. MOVEMENT IN FUNDS - continued

National Lottery Heritage Fund

Grant funding received from the National Lottery Heritage Fund, for further development phases of Hay Castle.

Education and Activity

A £10,000 grant was received from The Hobson Charity to support the education and activity programme at Hay Castle. The balance will be used to support future activities.

Heritage Skills Training

Funding of £20,000 was received from The Dulverton Trust, and £25,675 was received from the Andrew Lloyd Webber Foundation which is to be used to establish a heritage skill training programme. In previous years, funding was also received from The D'Oyly Carte Charitable Trust and Santander. The balance will be used to support future activities.

National Lottery Community Fund

Notification of a grant was received on 27 July 2017 from the National Lottery funded Rural programme - Community Grants for the Hay Castle Community Hub. The purpose of the funding is to reduce isolation for community members and improve the skills of residents and visitors in Hay-on-Wye.

Hay Castle Retail start-up

Funding of £11,000 was received from the Brecon Beacons National Park Sustainable Development Fund to support the renovation cost for 5 retail start-up units at Hay Castle.

Community Foundation Wales - Ashley Family Foundation

Funding of £8,000 received towards artistic production/materials, marketing and publicity, artist fees, artist travel costs and expenses, art transport, insurance and installation, project management and evaluation. The balance will be used to support future activities.

LEADER Programme

Notification of a grant was received initially on 16 June 2017 from the Welsh Government Rural Communities - The LEADER Programme in Powys for a Hay Castle Digital Project. This year, a final tranche of funding of £2,000 was received.

Purchase of equipment

Funding of £1,857 was received from The Darkly Trust towards equipment costs.

National Portrait Gallery - Creative Intern

Funding was received from the National Portrait Gallery specifically to cover the salary and on-costs of an Intern placement at Hay Castle.

Portraits of Writers exhibition

A grant of £25,200 was received from Arts Council England to support the first exhibition in the gallery at the Castle entitled "Portraits of Writers".

The Wild Escape

Funding was received from the Federation of Museums and Art Galleries of Wales for The Wild Escape, a project led by Art Fund and made possible with support from Arts Council England's National Lottery Project grants.

Welsh Historic Gardens Trust

The funding is for improvements to the gardens which are in progress.

Community Nature Recovery grant

Funding received from the Brecon Beacons National Park Authority, under the Communities Nature Recovery Grants Scheme towards a wildflower project which is in progress.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

22. MOVEMENT IN FUNDS - continued

GEM Cymru micro grant

Funded by Welsh Government, the objective of the grant is to encourage innovative thinking, practice and evaluation of new resources and curriculum for Wales specific activities for museums to deliver to schools.

Museum conference

Funding was received from the Federation of Museums and Art Galleries of Wales towards a museum conference.

Comparative year only

Regeneration of Hay Castle

The opening balance on the fund consisted of Visit Wales funding towards the costs of 'The Regeneration of the Hay Castle' project. During the year a further £150,000 was received from Welsh Government towards the costs of 'The Regeneration of the Hay Castle' project. The fund was fully spent during financial year 2022.

Powys War Memorials Project

Grant funding of £2,570 was received during the 2020 financial year from Powys County Council which was to be used towards the costs of the repair and restoration of the war memorial. Works were carried out on this project during the Summer of 2021.

Esmee Fairbairn Foundation

An annual grant of £53,333 was awarded for 3 years starting from 1 May 2018 in respect of supporting the cost of the director post.

Rural Communities Development Fund

Notification of a £92,000 grant was received on 25 July 2017 towards the cost of the commercial training kitchen, workshop and education space, hardware purchase and software development.

Medieval Costumes community project

Funding was received from The Ashley Family Foundation towards a medieval costume community project.

Development of steps linking Castle and town

Funding was received from Powys County Council, under the Community Development Fund, for the development of the steps linking the Castle and the town.

Clore Cultural Learning Space

Funding of £15,000 was received from The Clore Duffield Foundation in support of learning and community work.

Transfers between funds

A transfer of £245,519 was made from the National Lottery Heritage Fund to the general fund in respect of the funding spent on the capital project.

In addition, a transfer of £479,002 was made from the general fund to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

**HAY CASTLE TRUST
PREVIOUSLY KNOWN AS HAY CASTLE TRUST LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023**

23. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £3,728 (2022 - £1,956).

Contributions totalling £877 (2022 - £597) were payable to the scheme at the year end and are included in creditors.

24. CONTINGENT LIABILITIES

In line with the terms of the grant, prior approval from the National Lottery Heritage Fund is required should the property be sold and the National Lottery Heritage Fund may require a share of the net proceeds. It is not the intention of the trustees to sell the property.

25. RELATED PARTY DISCLOSURES

The total key management personnel remuneration benefits paid during the year was £57,200 (2022: £64,991).

During the year the charity received interest free loans totalling £139,000 (2022 - £150,000) from Lindenleaf CIO, a charity with a number of trustees in common until October 2022. At 30 April 2023 the loan balance of £939,000 (2022 - £800,000) is disclosed within creditors: amounts falling due within one year.

HAY CASTLE TRUST

England & Wales - Charity number 1144524

Accounts

REGISTERED COMPANY NUMBER: 07639471 (England and Wales)
REGISTERED CHARITY NUMBER: 1144524

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022
FOR
HAY CASTLE TRUST LIMITED**

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

HAY CASTLE TRUST LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

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HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2022

The trustees, who are also directors for the purposes of the Companies Act 2006, present their report with the financial statements of the Trust for the year ended 30 April 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities, preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's primary objective is to preserve the heritage and assure the future of Hay Castle in Hay-on-Wye. As befits a building which has enjoyed more than 800 years of continuous occupancy, the Trust aims to promote community and visitor involvement in an active, living amenity which is a focal feature of the town and surrounding area.

Operational strategies for achieving this objective and these aims include:

- completion of the restoration of Hay Castle;
- stewardship and maintenance of the Castle and of its adjoining buildings, grounds and gardens;
- promoting education on the history and architecture of the Castle and local history generally;
- provision of a venue for cultural enrichment through the arts; generating training opportunities in relevant local skills; and
- providing a venue and a forum for community benefit and enjoyment.

Success in meeting these aims is measured in terms of the following:

- completing, in a timely and cost-effective way, the National Lottery Heritage Fund delivery phase project;
- securing additional funding to meet the Trust's overall funding requirements;
- ensuring the full regeneration of Hay Castle is achieved; and
- operating the Castle as an income-generating venue, sufficient to ensure its long-term survival as a cultural venue and community asset.

The restoration project was successfully completed in May 2022, enabling the Castle to open to the public in time for the Hay Festival and to provide a venue for Festival activities. Prior to this, the necessary resources and skills needed to deliver the operational business plan had been put in place. An Executive Director, Tom True, was appointed in March 2022 and by the time of opening the Trust employed a team of six.

On 7 July 2022, the Castle was officially opened by HRH The Prince of Wales.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities for the year.

ACHIEVEMENT AND PERFORMANCE

Although restoration of the Castle had been expected to be completed by the end of April 2022, this target was narrowly missed, due to continuing conservation and construction challenges inherent in a project of this complexity and due to post-pandemic shortages of labour and materials. The Trust continued to model the potential effect of these delays on its planned operations in the areas of catering, visitor flow, interpretation and finances, working closely with the National Lottery Heritage Fund and other funding bodies. This resulted in additional funding being received during the year.

Income streams from activities and initiatives set out in the business plan commenced immediately upon opening. These include income from Hay Festival events held within the Castle's grounds, revenue from venue hires (such as the Hay Pride event), as well as from the shop and the outsourced café. Additional income arises from visitor donations, castle tours and from admissions to the gallery. The first exhibition, Portraits of Writers, comprising paintings and photographs on loan from the National Portrait Gallery, opened successfully.

New trustees, Carol Peace, Jennifer Bennett and Alice Sherwood were recruited during the period, bringing additional creative, business and not for profit sector skills and experience to the trustee body. Volunteers maintained the terraced garden and stocked the Honesty Bookshop throughout the year.

The Trust continues to work towards full Museum Accreditation, having already been granted the status of Working Toward Accreditation, and is working with the National Portrait Gallery's Skills and Knowledge Programme to enhance its curatorial expertise.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2022

FINANCIAL REVIEW

The attached financial statements reflect the transactions and position of the Trust for the year to 30 April 2022. The Statement of Financial Activities shows net income for the year of £1,127,536 (2021 - £1,445,936). In accordance with accounting policies all grant income (including capital grants) has been recognised in Statement of Financial Activities.

Principal funders

The Trust continued to receive support from the National Lottery Heritage Fund and a further loan was received from Lindenleaf CIO. As shown in Note 3 to the financial statements, grants were also recognised from a number of other funders including the Welsh Government and The Moondance Foundation.

Reserves

The total funds of £9,513,793 includes £50,884 which is held for restricted purposes. After excluding the net book value of tangible fixed assets, which have been included within a designated fund, the Trust had no free reserves at 30 April 2022 (2021 - £Nil).

It is the intention of the Trust to build up unrestricted funds sufficient to ensure that, in the event of a significant change in circumstances, it will be possible to maintain the Trust's current activities while consideration is given to ways in which additional funds may be raised. The target amount, to be built up over time, is £65,000.

FUTURE PLANS

The immediate focus for the Trust is to build on the success of the weeks which immediately followed the public opening of the Castle. The Castle welcomed over 22,000 visitors by the end of June and the vision of the Trust is to ensure that the venue remains attractive both to the local community and visitors from further afield through the introduction of new initiatives planned for 2022 and beyond, including a second exhibition in the gallery focusing on the written word.

Following the successful opening of the Castle, there will be a relaunch of the Friends' scheme as well as the roll out of other new fundraising initiatives. The Trust also plans to build partnerships within its local community, so that the site becomes a focal point for community, cultural and heritage activities in the years ahead.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The power of appointing new or additional trustees is vested in the trustees.

Organisational structure

Governance and the financial health of the Trust are the responsibility of the trustees. None of the trustees has any beneficial interest in the Trust. All the trustees are members of the Trust and guarantee to contribute a sum not exceeding £10 in the event of a winding up.

The Castle is operated on a day-to-day basis by the Executive Director and his team.

Induction and training of new trustees

Trustees are expected to identify their training needs and take measures to ensure these needs are met.

Key management remuneration

The pay of senior staff is set by the trustees having regard to market rates.

Risk management

The trustees confirm the major risks have been reviewed and systems or procedures have been established to manage those risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

07639471 (England and Wales)

Registered Charity number

1144524

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2022

Registered office

Hay Castle
Oxford Road
HAY-ON-WYE
Herefordshire
HR3 5DG

Trustees

The current trustees are:

Jennifer Bennett		appointed 16 July 2021
Edward Fox		
Christopher Fyles		
Paul Greatbatch		
Elizabeth Haycox		
Fiona Howard		
Robert Hughes		
Susan Malthouse	Chair	
Carol Peace		appointed 16 July 2021
Stephen Purse		
Alice Sherwood		appointed 15 October 2021

The following trustee also held office during the period:

Justin Albert	resigned 15 October 2021
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Senior management

Nancy Lavin Albert	Managing Director (until May 2022)
Thomas True	Executive Director (appointed March 2022)

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Bankers

Barclays
1-3 Broad Street
Hereford
HR4 9BH

HAY CASTLE TRUST LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hay Castle Trust Limited 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, Watts Gregory LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees 4/8/2022 and signed on its behalf by:



Susan Malthouse - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST LIMITED

Opinion

We have audited the financial statements of Hay Castle Trust Limited (the 'charitable company') for the year ended 30 April 2022 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 30 April 2022 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 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

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

In auditing the financial statements, we have concluded that the directors' 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 company'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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST LIMITED

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 which result from such irregularities. Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAY CASTLE TRUST LIMITED**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

9 August 2022

HAY CASTLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 APRIL 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME FROM					
Donations and legacies	3	259,476	1,020,053	1,279,529	1,530,906
Trading activities	4	9,781	-	9,781	6,828
Investment income	5	15	-	15	68
Total		269,272	1,020,053	1,289,325	1,537,802
 EXPENDITURE ON					
Raising funds	6	1,748	-	1,748	4,428
Charitable activities	7				
Preservation of the heritage of Hay Castle		101,355	58,686	160,041	87,438
Total		103,103	58,686	161,789	91,866
 NET INCOME		166,169	961,367	1,127,536	1,445,936
Transfers between funds	21	<u>1,153,686</u>	<u>(1,153,686)</u>	<u>-</u>	<u>-</u>
Net movement in funds		1,319,855	(192,319)	1,127,536	1,445,936
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>8,143,054</u>	<u>243,203</u>	<u>8,386,257</u>	<u>6,940,321</u>
 TOTAL FUNDS CARRIED FORWARD		<u>9,462,909</u>	<u>50,884</u>	<u>9,513,793</u>	<u>8,386,257</u>

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

**BALANCE SHEET
30 APRIL 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	14	9,958,154	-	9,958,154	8,706,444
Heritage assets	15	5,700	-	5,700	5,700
Investments	16	1	-	1	1
		9,963,855	-	9,963,855	8,712,145
CURRENT ASSETS					
Debtors	17	50,799	308,599	359,398	511,527
Cash at bank and in hand		323,512	17,555	341,067	218,581
		374,311	326,154	700,465	730,108
CREDITORS					
Amounts falling due within one year	18	(842,757)	(275,270)	(1,118,027)	(1,013,496)
NET CURRENT ASSETS / (LIABILITIES)		<u>(468,446)</u>	<u>50,884</u>	<u>(417,562)</u>	<u>(283,388)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,495,409	50,884	9,546,293	8,428,757
CREDITORS					
Amounts falling due after more than one year	19	(32,500)	-	(32,500)	(42,500)
NET ASSETS		<u>9,462,909</u>	<u>50,884</u>	<u>9,513,793</u>	<u>8,386,257</u>
FUNDS	21				
Unrestricted funds				9,462,909	8,143,054
Restricted funds				50,884	243,203
TOTAL FUNDS				<u>9,513,793</u>	<u>8,386,257</u>

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 Trustees and authorised for issue on 4/8/2022 and were signed on its behalf by:

Susan Malthouse
Susan Malthouse - Trustee

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	1,233,994	1,384,391
Interest paid		<u>(892)</u>	<u>-</u>
Net cash provided by operating activities		<u>1,233,102</u>	<u>1,384,391</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,253,131)	(1,863,311)
Purchase of heritage assets		-	(5,700)
Interest received		<u>15</u>	<u>68</u>
Net cash used in investing activities		<u>(1,253,116)</u>	<u>(1,868,943)</u>
Cash flows from financing activities			
New loans in year		150,000	500,000
Loan repayments in year		<u>(7,500)</u>	<u>-</u>
Net cash provided by financing activities		<u>142,500</u>	<u>500,000</u>
Change in cash and cash equivalents in the reporting period		<u>122,486</u>	<u>15,448</u>
Cash and cash equivalents at the beginning of the reporting period		<u>218,581</u>	<u>203,133</u>
Cash and cash equivalents at the end of the reporting period		<u><u>341,067</u></u>	<u><u>218,581</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022

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

	2022 £	2021 £
Net income for the reporting period (as per the Statement of Financial Activities)	1,127,536	1,445,936
Adjustments for:		
Depreciation charges	1,421	739
Interest received	(15)	(68)
Interest paid	892	-
Decrease/(increase) in debtors	152,129	(201,607)
(Decrease)/increase in creditors	(47,969)	139,391
Net cash provided by operations	<u>1,233,994</u>	<u>1,384,391</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/5/21 £	Cash flow £	At 30/4/22 £
Net cash			
Cash at bank and in hand	<u>218,581</u>	<u>122,486</u>	<u>341,067</u>
	<u>218,581</u>	<u>122,486</u>	<u>341,067</u>
Debt			
Debts falling due within 1 year	(657,500)	(152,500)	(810,000)
Debts falling due after 1 year	<u>(42,500)</u>	<u>10,000</u>	<u>(32,500)</u>
	<u>(700,000)</u>	<u>(142,500)</u>	<u>(842,500)</u>
Total	<u>(481,419)</u>	<u>(20,014)</u>	<u>(501,433)</u>

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1. STATUTORY INFORMATION

Hay Castle Trust Limited is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Hay Castle, Oxford Road, Hay-on-Wye, HR3 5DG.

The charity is a company limited by guarantee and consequently does not have any share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the Trust's operations are described in the Report of the Trustees.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. 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 the UK and Republic of Ireland (FRS 102) (effective January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There have been no material departures from Financial Reporting Standard 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policies.

Going concern

As outlined in the Report of the Trustees, the Trust reached a significant milestone with the opening of Hay Castle to the public in May 2022.

Financial projections have been prepared which encompass both the finalisation of the costs of the restoration project and the activities subsequent to opening. These take into account further funding committed by the National Lottery Heritage Fund, Lindenleaf CIO and other funders.

The funding committed by Lindenleaf CIO is in the form of an interest free loan facility. Five years after the completion of the renovation project the lender will convert any outstanding amount of the loan into a donation but, at its sole discretion, may do so earlier. The amount drawn under the loan facility on 30 April 2022 was £800,000.

In these circumstances, the trustees have concluded that no adjustments or additional disclosures are required to the financial statements and are satisfied that it is appropriate for the financial statements to be prepared on a going concern basis.

2. ACCOUNTING POLICIES - continued

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.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Income from other trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income is recognised on a receivable basis.

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.

Expenditure on costs of raising funds include costs of fundraising, advertising, marketing and direct mail materials as well as a consultancy fees.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any residual value, over their expected useful economic life as follows:

Plant and machinery	25% straight line
Fixtures and fittings	10% straight line
Computer equipment	33% straight line

Freehold land and buildings are held at cost and not depreciated, whilst being restored.

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

Investments

Investments are stated at cost less any impairment at the balance sheet date.

2. ACCOUNTING POLICIES - continued

Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation if known. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Those heritage assets currently recognised on the balance sheet have indefinite lives and are therefore not depreciated but reviewed at each reporting date for impairment.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

The Trust maintains a register for its collections of heritage assets which records the nature and current location of each asset.

Taxation

The Trust has been granted exemption from UK corporation tax by virtue of its charitable status. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds which are set aside by the trustees for a specific purpose.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Transfers are made from restricted to unrestricted funds relating to the purchase of fixed assets from restricted income where such expenditure fulfils the terms of the restriction.

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.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

3. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	2,625	21,330
Gift aid tax reclaimed	70	2,813
Grants	1,273,674	1,502,903
Subscriptions	3,160	3,860
	<u>1,279,529</u>	<u>1,530,906</u>

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

	2022	2021
	£	£
National Lottery Heritage Fund	863,859	1,205,623
Clore Duffield Foundation - Clore Cultural Learning Fund 2020	-	15,000
Esmee Fairbairn Foundation	-	53,334
National Lottery Community Fund - Rural Programme	-	44,740
Welsh Government - LEADER Programme	6,194	16,706
The Ashley Family Foundation - Medieval Costume Community project	-	1,500
Welsh Government - Wales Cultural Recovery Fund Phase 1	-	150,000
Welsh Government - Wales Cultural Recovery Fund Phase 2	103,621	-
Powys County Council - Community Development Fund	-	10,000
The Mumford Memorial Trust - Restoration of the Dutch Gables	-	5,000
Powys County Council - Lockdown Business Rates grant	-	1,000
The Moondance Foundation - COVID support	150,000	-
Welsh Government - Restoration of Hay Castle	150,000	-
	<u>1,273,674</u>	<u>1,502,903</u>

4. TRADING ACTIVITIES

	2022	2021
	£	£
Honesty bookshop sales	2,740	730
Rental income	7,041	6,083
Other income	-	15
	<u>9,781</u>	<u>6,828</u>

5. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>15</u>	<u>68</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

6. RAISING FUNDS

Raising donations and legacies

	2022	2021
	£	£
Consultancy fees	<u>691</u>	<u>3,606</u>

Trading activities

	2022	2021
	£	£
Cost of functions and events	435	200
Depreciation	<u>622</u>	<u>622</u>
	<u>1,057</u>	<u>822</u>

Total	<u>1,748</u>	<u>4,428</u>
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7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Total £
Preservation of the heritage of Hay Castle	<u>97,498</u>	<u>62,543</u>	<u>160,041</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022	2021
	£	£
Staff costs	11,698	-
Establishment costs	49,154	32,308
Postage and stationery	34	500
Advertising and promotions	5,666	852
Repairs and maintenance	9,361	2,817
Travel	419	116
Office expenses	1,427	1,865
Recruitment	18,175	-
Website costs	1,400	3,595
Bank charges	<u>164</u>	<u>242</u>
	<u>97,498</u>	<u>42,295</u>

9. SUPPORT COSTS

	Staff costs £	Finance £	Other £	Governance costs £	Total £
Preservation of the heritage of Hay Castle	<u>38,852</u>	<u>892</u>	<u>18,029</u>	<u>4,770</u>	<u>62,543</u>
2021	<u>29,248</u>	<u>-</u>	<u>7,461</u>	<u>8,434</u>	<u>45,143</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

10. NET INCOME/(EXPENDITURE)

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

	2022	2021
	£	£
Depreciation - owned assets	1,421	739
Auditors' remuneration	<u>4,000</u>	<u>3,800</u>

Depreciation is apportioned to include £622 (2021: £622) within raising funds (note 6) and £799 (2021: £117) within support costs (note 9).

11. TRUSTEES' REMUNERATION, BENEFITS AND EXPENSES

There were no trustees' remuneration, other benefits or expenses paid for the year ended 30 April 2022 or for the year ended 30 April 2021.

12. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	94,639	74,142
Social security costs	4,520	3,796
Employer pension costs	<u>1,956</u>	<u>1,753</u>
	<u>101,115</u>	<u>79,731</u>

The average number of employees during the year was as follows:

	2022	2021
Employees	<u>3</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

Staff costs amounting to £50,565 (2021 - £50,483) have been capitalised during the year.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 30 APRIL 2021

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME FROM			
Donations and legacies	156,503	1,374,403	1,530,906
Trading activities	6,828	-	6,828
Investment income	68	-	68
Total	163,399	1,374,403	1,537,802
EXPENDITURE ON			
Raising funds	4,428	-	4,428
Charitable activities			
Preservation of the heritage of Hay Castle	47,327	40,111	87,438
Total	51,755	40,111	91,866
NET INCOME	111,644	1,334,292	1,445,936
Transfers between funds	1,352,408	(1,352,408)	-
Net movement in funds	1,464,052	(18,116)	1,445,936
RECONCILIATION OF FUNDS			
Total funds brought forward	6,679,002	261,319	6,940,321
TOTAL FUNDS CARRIED FORWARD	<u>8,143,054</u>	<u>243,203</u>	<u>8,386,257</u>

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2021	8,703,615	9,486	6,222	3,539	8,722,862
Additions	1,241,489	3,545	4,689	3,408	1,253,131
At 30 April 2022	<u>9,945,104</u>	<u>13,031</u>	<u>10,911</u>	<u>6,947</u>	<u>9,975,993</u>
DEPRECIATION					
At 1 May 2021	-	9,486	5,391	1,541	16,418
Charge for year	-	-	622	799	1,421
At 30 April 2022	-	<u>9,486</u>	<u>6,013</u>	<u>2,340</u>	<u>17,839</u>
NET BOOK VALUE					
At 30 April 2022	<u>9,945,104</u>	<u>3,545</u>	<u>4,898</u>	<u>4,607</u>	<u>9,958,154</u>
At 30 April 2021	<u>8,703,615</u>	-	<u>831</u>	<u>1,998</u>	<u>8,706,444</u>

HAY CASTLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022**

15. HERITAGE ASSETS

	Total £
COST	
At 1 May 2021 and 30 April 2022	<u>5,700</u>
NET BOOK VALUE	
At 30 April 2022	<u>5,700</u>
At 30 April 2021	<u>5,700</u>

The Trust has acquired sculptures and portraits of Richard Booth, which are held and maintained principally for their contribution to knowledge and culture and in support of the Trust's objectives.

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2021 and 30 April 2022	<u>1</u>
NET BOOK VALUE	
At 30 April 2022	<u>1</u>
At 30 April 2021	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Hay Castle Trading Limited

Registered office: Hay Castle, Oxford Road, Hay-on-Wye, Hereford, United Kingdom, HR3 5DG

Nature of business: Dormant company

Class of share:	%
Ordinary	holding 100

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	120	-
Other debtors	307,935	475,949
VAT	43,106	33,569
Prepayments and accrued income	<u>8,237</u>	<u>2,009</u>
	<u>359,398</u>	<u>511,527</u>

HAY CASTLE TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 20)	10,000	7,500
Other loans (see note 20)	800,000	650,000
Trade creditors	174,546	212,237
Amounts owed to group undertakings	1	1
Social security and other taxes	4,034	1,400
Other creditors	1,297	859
Accruals and deferred income	128,149	141,499
	<u>1,118,027</u>	<u>1,013,496</u>

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 20)	<u>32,500</u>	<u>42,500</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	10,000	7,500
Other loans	<u>800,000</u>	<u>650,000</u>
	<u>810,000</u>	<u>657,500</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>32,500</u>	<u>40,000</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan > 5 years	-	2,500

The bank loan is interest bearing and was drawn under the Bounce Back Loan Scheme.

The other loan is interest free. Five years after the completion of the renovation project, the lender will convert any outstanding part of the loan to a donation but, at its sole discretion, may do so at an earlier date.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

21. MOVEMENT IN FUNDS

	At 1/5/21 £	Net movement in funds £	Transfers between funds £	At 30/4/22 £
Unrestricted funds				
General fund	(569,090)	166,169	(98,024)	(500,945)
Fixed asset fund	<u>8,712,144</u>	<u>-</u>	<u>1,251,710</u>	<u>9,963,854</u>
	8,143,054	166,169	1,153,686	9,462,909
Restricted funds				
National Lottery Heritage Fund	-	818,302	(818,302)	-
Regeneration of Hay Castle	108,240	150,000	(258,240)	-
Education and Activity	9,909	(3,185)	-	6,724
Heritage Skills Training	32,435	-	(23,934)	8,501
Powys War Memorials Project	2,570	(2,570)	-	-
Esmee Fairbairn Foundation	32,745	-	(32,745)	-
Rural Communities Development Fund	1,000	-	(1,000)	-
National Lottery Community Fund	25,225	-	-	25,225
Hay Castle Retail start-up	2,434	-	-	2,434
Community Foundation Wales - Ashley				
Family Foundation	8,000	-	-	8,000
Medieval Costumes community project	1,180	(1,180)	-	-
Development of steps linking Castle and town	4,465	-	(4,465)	-
Clore Cultural Learning space	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
	<u>243,203</u>	<u>961,367</u>	<u>(1,153,686)</u>	<u>50,884</u>
TOTAL FUNDS	<u>8,386,257</u>	<u>1,127,536</u>	<u>-</u>	<u>9,513,793</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	269,272	(103,103)	166,169
Restricted funds			
National Lottery Heritage Fund	863,859	(45,557)	818,302
Regeneration of Hay Castle	150,000	-	150,000
Education and Activity	-	(3,185)	(3,185)
Powys War Memorials Project	-	(2,570)	(2,570)
The LEADER Programme	6,194	(6,194)	-
Medieval Costumes community project	-	(1,180)	(1,180)
	<u>1,020,053</u>	<u>(58,686)</u>	<u>961,367</u>
TOTAL FUNDS	<u>1,289,325</u>	<u>(161,789)</u>	<u>1,127,536</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2022

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/5/20 £	Net movement in funds £	Transfers between funds £	At 30/4/21 £
Unrestricted funds				
General fund	(164,870)	111,644	(515,864)	(569,090)
Fixed asset fund	<u>6,843,872</u>	<u>-</u>	<u>1,868,272</u>	<u>8,712,144</u>
	6,679,002	111,644	1,352,408	8,143,054
Restricted funds				
National Lottery Heritage Fund	-	1,169,887	(1,169,887)	-
Regeneration of Hay Castle	108,240	-	-	108,240
Country Houses Foundation	40,000	-	(40,000)	-
Education and Activity	9,909	-	-	9,909
Heritage Skills Training	46,421	-	(13,986)	32,435
Powys War Memorials Project	2,570	-	-	2,570
The Clore Duffield Foundation	-	15,000	-	15,000
Esmee Fairbairn Foundation	33,949	49,279	(50,483)	32,745
Rural Communities Development Fund	1,000	-	-	1,000
The LEADER Programme	-	16,706	(16,706)	-
National Lottery Community Fund	-	44,740	(19,515)	25,225
Oakdale Trust	230	-	(230)	-
Hay Castle Retail start-up	11,000	-	(8,566)	2,434
Community Foundation Wales - Ashley				
Family Foundation	8,000	-	-	8,000
Gallery fund	-	22,500	(22,500)	-
Medieval Costumes community project	-	1,180	-	1,180
Development of steps linking Castle and town	-	10,000	(5,535)	4,465
Restoration of the Dutch Gables	<u>-</u>	<u>5,000</u>	<u>(5,000)</u>	<u>-</u>
	<u>261,319</u>	<u>1,334,292</u>	<u>(1,352,408)</u>	<u>243,203</u>
TOTAL FUNDS	<u>6,940,321</u>	<u>1,445,936</u>	<u>-</u>	<u>8,386,257</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	163,399	(51,755)	111,644
Restricted funds			
National Lottery Heritage Fund	1,205,623	(35,736)	1,169,887
The Clore Duffield Foundation	15,000	-	15,000
Esmee Fairbairn Foundation	53,334	(4,055)	49,279
The LEADER Programme	16,706	-	16,706
National Lottery Community Fund	44,740	-	44,740
Gallery fund	22,500	-	22,500
Medieval Costumes community project	1,500	(320)	1,180
Development of steps linking Castle and town	10,000	-	10,000
Restoration of the Dutch Gables	<u>5,000</u>	<u>-</u>	<u>5,000</u>
	<u>1,374,403</u>	<u>(40,111)</u>	<u>1,334,292</u>
TOTAL FUNDS	<u>1,537,802</u>	<u>(91,866)</u>	<u>1,445,936</u>

21. MOVEMENT IN FUNDS - continued

Designated fixed asset fund

The fixed asset fund represents the net book value of tangible fixed assets including heritage assets.

National Lottery Heritage Fund

Grant funding received from the National Lottery Heritage Fund, for further development phases of Hay Castle.

Regeneration of Hay Castle

The opening balance on the fund consisted of Visit Wales funding towards the costs of 'The Regeneration of the Hay Castle' project. During the year a further £150,000 was received from Welsh Government towards the costs of 'The Regeneration of the Hay Castle' project. The fund has been fully spent during the year.

Education and Activity

A £10,000 grant was received from The Hobson Charity to support the education and activity programme at Hay Castle.

Heritage Skills Training

Funding of £20,000 was received from The Dulverton Trust, and £25,675 was received from the Andrew Lloyd Webber Foundation which is to be used to establish a heritage skill training programme. In previous years, funding was also received from The D'Oyly Carte Charitable Trust and Santander.

Powys War Memorials Project

Grant funding of £2,570 was received during the 2020 financial year from Powys County Council which was to be used towards the costs of the repair and restoration of the war memorial. Works were carried out on this project during the Summer of 2021 and therefore the fund has been fully spent.

Esmée Fairbairn Foundation

An annual grant of £53,333 was awarded for 3 years starting from 1 May 2018 in respect of supporting the cost of the director post.

Rural Communities Development Fund

Notification of a £92,000 grant was received on 25 July 2017 towards the cost of the commercial training kitchen, workshop and education space, hardware purchase and software development.

LEADER Programme

Notification of a grant was received on 16 June 2017 from the Welsh Government Rural Communities - The LEADER Programme in Powys for a Hay Castle Digital Project.

National Lottery Community Fund

Notification of a grant was received on 27 July 2017 from the National Lottery funded Rural programme - Community Grants for the Hay Castle Community Hub. The purpose of the funding is to reduce isolation for community members and improve the skills of residents and visitors in Hay-on-Wye.

Hay Castle Retail start-up

Funding of £11,000 was received from the Brecon Beacons National Park Sustainable Development Fund to support the renovation cost for 5 retail start-up units at Hay Castle.

Community Foundation Wales - Ashley Family Foundation

Funding of £8,000 received towards artistic production/materials, marketing and publicity, artist fees, artist travel costs and expenses, art transport, insurance and installation, project management and evaluation.

Medieval Costumes community project

Funding was received from The Ashley Family Foundation towards a medieval costume community project.

Development of steps linking Castle and town

Funding was received from Powys County Council, under the Community Development Fund, for the development of the steps linking the Castle and the town.

Clore Cultural Learning Space

Funding of £15,000 was received from The Clore Duffield Foundation in support of learning and community work.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2022

21. MOVEMENT IN FUNDS - continued

Comparative year only

Country Houses Foundation

Notification of a £100,000 grant was received in May 2016 from the trustees of the Country Houses Foundation for the replacement of the roof on the Jacobean section of Hay Castle.

Oakdale Trust

Funding of £750 was received from the Oakdale Trust for the Hay Castle: Memories of the Town of Books project.

Gallery fund

A donation of £10,000 was received from two donors in the previous year; SR & PH Southall Charitable Trust and C & C Compton towards the capital cost of the gallery works. Associated gift aid income of £2,500 has also been allocated to the fund.

Restoration of the Dutch Gables

Funding was received from The Mumford Memorial Trust towards the restoration costs of the Dutch Gables, a key architectural feature of the building.

Transfers between funds

Transfers totalling £1,153,686 have been made from a number of restricted funds to the general fund in the year in respect of the assets purchased, where the purchase of assets results in the restriction being met.

In addition, a transfer of £1,251,710 was made from the general fund to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £1,956 (2021: £1,753).

Contributions totalling £597 (2021: £353) were payable to the scheme at the year end and are included in creditors.

23. CONTINGENT LIABILITIES

In line with the terms of the grant, prior approval from the National Lottery Heritage Fund is required should the property be sold and the National Lottery Heritage Fund may require a share of the net proceeds. It is not the intention of the trustees to sell the property.

24. CAPITAL COMMITMENTS

At the year end the Trust had estimated capital commitments with the contractors of approximately £422,000 (2021: £1.65m) and for professional fees of £38,000 (2021: £154,000). These commitments will be subject to the usual retentions and late completion penalties which are unknown at this point in time.

There are also capital commitments for the Interpretation Scheme design and installation of £6,000 (2021: £56,000).

Support from the National Lottery Heritage Fund will fund a significant proportion of the commitments noted above.

25. RELATED PARTY DISCLOSURES

During the year Nancy Lavin Albert received remuneration (including Employers NI) of £56,184 (2021: £56,093). Nancy Lavin Albert is the spouse of Justin Albert, a former trustee of the charity.

The total key management personnel remuneration benefits paid during the year was £64,991 (2021: £56,093).

During the year the charity received interest free loans totalling £150,000 (2021: £450,000) from Lindenleaf CIO, a charity with a number of trustees in common. At 30 April 2022 the loan balance of £800,000 (2021: £650,000) is disclosed within creditors: amounts falling due within one year.

HAY CASTLE TRUST

England & Wales - Charity number 1144524

Accounts

REGISTERED COMPANY NUMBER: 07639471 (England and Wales)
REGISTERED CHARITY NUMBER: 1144524

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021
FOR
HAY CASTLE TRUST LIMITED**

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

HAY CASTLE TRUST LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

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HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021

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 30 April 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The charity's primary objective is to preserve the heritage and assure the future of Hay Castle in Hay-on-Wye. As befits a building which has enjoyed more than 800 years of continuous occupancy, the charity aims to encourage community and visitor involvement in an active, living amenity which is a focal feature of the town and surrounding area.

Operational strategies for achieving this objective and these aims include:-

- completion of the restoration of Hay Castle, and stewardship of its adjoining building and gardens;
- promoting education on the history and architecture of the Castle and local history generally;
- provision of a venue for cultural enrichment through the arts;
- generating training opportunities in relevant local skills; and
- providing a forum for community benefit and enjoyment.

Success in meeting these aims is currently measured in terms of: progress made in completing, in a timely and cost-effective way, the National Lottery Heritage Fund Delivery Phase project; securing additional funding to meet the Trust's own match-funding requirement; ensuring the full regeneration of Hay Castle is achieved.

In the medium term, the Trust is anticipating the successful completion of the restoration project in 2022 and is now planning for the resources and skill sets necessary to deliver the elements of the Business Plan which was approved as part of its National Lottery Heritage Fund grant.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities for the year.

ACHIEVEMENT AND PERFORMANCE

The restoration of Hay Castle had been expected to be completed in this period. This proved impossible, in part due to ongoing conservation and construction challenges inherent in a project of this complexity and in part due to delays resulting from COVID-19. Restoration costs increased as a result of these delays, together with materials and wage inflation in the construction sector, and supply chain difficulties.

The Trust has carefully considered the impact of the ongoing pandemic on the likely future operating environment in the areas of its catering plans, visitor flow, interpretation, and finances. A clear understanding of the impact of COVID-19 was demonstrated to the National Lottery Heritage Fund and Welsh Government resulting in additional funding being received.

New trustees, Christopher Fyles, Stephen Purse and Fiona Howard were recruited during the period, bringing additional financial and community activity skills and experience to the trustee body. Volunteers have maintained the terraced garden and stocked the Honesty Bookshop. The Friends of Hay Castle scheme is ongoing.

Working towards its cultural strategy, the Trust has applied for Museum Accreditation and has been granted the status of Working Toward Accreditation. The Trust was also accepted into the National Portrait Gallery's Skills and Knowledge Programme to enhance its curation expertise.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021

FINANCIAL REVIEW

The attached financial statements reflect the transactions and position of the Trust for the year to 30 April 2021. The Statement of Financial Activities shows net income for the year of £1,445,936 (2020 - £1,454,040). In accordance with accounting policies all grant income (including capital grants) has been recognised in Statement of Financial Activities.

Principal funders

The Trust continued to receive support from the National Lottery Heritage Fund throughout the year. As shown within Note 3 to the financial statements, grants were also recognised from a number of other funders including the Welsh Government - Wales Cultural Recovery Fund, Esmée Fairbairn Foundation, National Lottery Community Fund, Clore Duffield Foundation, Welsh Government LEADER programme, Powys County Council, The Ashley Family Foundation and The Mumford Memorial Trust.

Reserves

The total funds of £8,386,257 includes £243,203 which is held for restricted purposes. After excluding the net book value of tangible fixed assets which have been included within a designated fund, the charity had no free reserves at 30 April 2021 (2020 - £Nil).

It is the policy of the Trust that unrestricted funds which have not been designated for a specific use should be maintained at a level of approximately £65,000. The trustees consider that this will ensure that if in the event of a significant interruption to anticipated funding, they will be able to maintain the Trust's current activities while consideration is given to ways in which additional funds may be raised.

The Trust is currently trying to build reserves in excess of this level in order to contribute its own funds to the regeneration project.

FUTURE PLANS

Additional funding from the Moondance Foundation (£150,000) has been secured.

The decision has been taken to reduce commercial risk by outsourcing the café operation, enabling the Trust to focus on the core strategies outlined above.

The immediate focus for the Trust at the date of this report is the completion of the restoration project and preparation for a successful 2022 opening. Like other domestic tourist destinations, Hay-on-Wye's local tourist economy benefited in 2021 from the "stay-cation" trend, and the town looks forward to welcoming returning overseas visitors as the pandemic recedes. The Trust hopes to make the most of these opportunities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The company was incorporated on 18 May 2011 and is limited by guarantee. Charitable status was granted on 3 November 2011. The company is governed by its Memorandum and Articles of Association.

Recruitment and appointment of new trustees

The power of appointing new or additional trustees is vested in the trustees.

Organisational structure

The day-to-day administration of the charity is carried out by the trustees. None of the trustees have any beneficial interest in the charity. All the trustees are members of the charity and guarantee to contribute a sum not exceeding £10 in the event of a winding up.

Induction and training of new trustees

Trustees are expected to identify their training needs and take measures to ensure these needs are met.

Key management remuneration

The pay of senior staff is set by the Board of Trustees having regard to market rates.

Risk management

We confirm the major risks have been reviewed and systems or procedures have been established to manage those risks.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 APRIL 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
07639471 (England and Wales)

Registered Charity number
1144524

Registered office
Hay Castle
Oxford Road
HAY-ON-WYE
HR3 5DG

Trustees

J T Albert	Resigned 15/10/21
L Cooke	Resigned 21/04/21
P Greatbatch	
E Haycox	
R L Hughes	
E O H Fox	
S Malthouse	
C Fyles	Appointed 02/06/20
S Purse	Appointed 23/10/20
F Howard	Appointed 23/10/20
J Bennett	Appointed 16/07/21
C Peace	Appointed 16/07/21
A Sherwood	Appointed 15/10/21

Senior management

N L Albert - Managing Director

Auditors

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Bankers

Barclays
1-3 Broad Street
Hereford
HR4 9BH

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Hay Castle Trust Limited 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.

HAY CASTLE TRUST LIMITED

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 APRIL 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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, Watts Gregory LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees 25/1/2022..... and signed on its behalf by:



.....
S Malthouse - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST LIMITED

Opinion

We have audited the financial statements of Hay Castle Trust Limited (the 'charitable company') for the year ended 30 April 2021 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 30 April 2021 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 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

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

In auditing the financial statements, we have concluded that the directors' 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 company'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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern in exceptional or unforeseen circumstances.

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 this gives rise to 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAY CASTLE TRUST LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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.

Based on our understanding of both the company and industry, we identified the principal risks of non-compliance with laws and regulations, including those related to UK tax legislation and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risk related to posting inaccurate journals. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAY CASTLE TRUST LIMITED**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

26 January 2022

HAY CASTLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 APRIL 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	156,503	1,374,403	1,530,906	1,537,294
Trading activities	4	6,828	-	6,828	24,200
Investment income	5	<u>68</u>	<u>-</u>	<u>68</u>	<u>432</u>
Total		163,399	1,374,403	1,537,802	1,561,926
 EXPENDITURE ON					
Raising funds	6	4,428	-	4,428	27,793
Charitable activities	7				
Preservation of the heritage of Hay Castle		<u>47,327</u>	<u>40,111</u>	<u>87,438</u>	<u>80,093</u>
Total		<u>51,755</u>	<u>40,111</u>	<u>91,866</u>	<u>107,886</u>
 NET INCOME		111,644	1,334,292	1,445,936	1,454,040
Transfers between funds	21	<u>1,352,408</u>	<u>(1,352,408)</u>	<u>-</u>	<u>-</u>
Net movement in funds		1,464,052	(18,116)	1,445,936	1,454,040
 RECONCILIATION OF FUNDS					
Total funds brought forward		<u>6,679,002</u>	<u>261,319</u>	<u>6,940,321</u>	<u>5,486,281</u>
 TOTAL FUNDS CARRIED FORWARD		<u><u>8,143,054</u></u>	<u><u>243,203</u></u>	<u><u>8,386,257</u></u>	<u><u>6,940,321</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

BALANCE SHEET
30 APRIL 2021

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	14	8,706,444	-	8,706,444	6,843,872
Heritage assets	15	5,700	-	5,700	-
Investments	16	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>
		8,712,145	-	8,712,145	6,843,873
CURRENT ASSETS					
Debtors	17	37,962	473,565	511,527	309,920
Cash at bank and in hand		<u>104,349</u>	<u>114,232</u>	<u>218,581</u>	<u>203,133</u>
		142,311	587,797	730,108	513,053
CREDITORS					
Amounts falling due within one year	18	(668,902)	(344,594)	(1,013,496)	(416,605)
NET CURRENT ASSETS / (LIABILITIES)		<u>(526,591)</u>	<u>243,203</u>	<u>(283,388)</u>	<u>96,448</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,185,554	243,203	8,428,757	6,940,321
CREDITORS					
Amounts falling due after more than one year	19	(42,500)	-	(42,500)	-
NET ASSETS		<u>8,143,054</u>	<u>243,203</u>	<u>8,386,257</u>	<u>6,940,321</u>
FUNDS	21				
Unrestricted funds				8,143,054	6,679,002
Restricted funds				<u>243,203</u>	<u>261,319</u>
TOTAL FUNDS				<u>8,386,257</u>	<u>6,940,321</u>

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 authorised by the Board of Trustees and authorised for issue on 25.11.2022 and were signed on its behalf by:

S Malthouse

S Malthouse - Trustee

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>1,384,391</u>	<u>1,830,643</u>
Net cash provided by operating activities		<u>1,384,391</u>	<u>1,830,643</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,863,311)	(2,028,601)
Purchase of heritage assets		(5,700)	-
Purchase of fixed asset investments		-	(1)
Interest received		<u>68</u>	<u>432</u>
Net cash used in investing activities		<u>(1,868,943)</u>	<u>(2,028,170)</u>
Cash flows from financing activities			
New loans in year		<u>500,000</u>	<u>200,000</u>
Net cash provided by financing activities		<u>500,000</u>	<u>200,000</u>
Change in cash and cash equivalents in the reporting period		15,448	2,473
Cash and cash equivalents at the beginning of the reporting period		<u>203,133</u>	<u>200,660</u>
Cash and cash equivalents at the end of the reporting period		<u><u>218,581</u></u>	<u><u>203,133</u></u>

The notes form part of these financial statements

HAY CASTLE TRUST LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2021

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

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	1,445,936	1,454,040
Adjustments for:		
Depreciation charges	739	622
Interest received	(68)	(432)
(Increase)/decrease in debtors	(201,607)	409,107
Increase/(decrease) in creditors	139,391	(32,694)
Net cash provided by operations	<u>1,384,391</u>	<u>1,830,643</u>

2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1/5/20 £	Cash flow £	At 30/4/21 £
Net cash			
Cash at bank and in hand	<u>203,133</u>	<u>15,448</u>	<u>218,581</u>
	<u>203,133</u>	<u>15,448</u>	<u>218,581</u>
Debt			
Debts falling due within 1 year	(200,000)	(457,500)	(657,500)
Debts falling due after 1 year	<u>-</u>	<u>(42,500)</u>	<u>(42,500)</u>
	(200,000)	(500,000)	(700,000)
Total	<u>3,133</u>	<u>(484,552)</u>	<u>(481,419)</u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

Hay Castle Trust Limited is a company limited by guarantee incorporated in Wales within the United Kingdom. The registered office is Hay Castle, Oxford Road, Hay-on-Wye, HR3 5DG.

The charity is a company limited by guarantee and consequently does not have any share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

The financial statements are presented in Sterling (£), the company's functional currency, and rounded to the nearest pound.

The principal activities and nature of the charity's operations is to preserve the heritage of Hay Castle in Hay-on-Wye and to advance education on the architecture of the building, local history, and the arts by the purchase and restoration of the building and its surrounding land.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. 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 the UK and Republic of Ireland (FRS 102) (effective January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

There have been no material departures from Financial Reporting Standard 102.

Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

Going concern

As outlined in the Report of the Trustees, during 2020-21 the Trust made progress towards its goals, most notably with the continuation of the National Lottery Heritage Fund Delivery Phase project to restore Hay Castle. The restoration of Hay Castle had been expected to be completed in this period. This proved impossible, in part due to ongoing conservation and construction challenges inherent in a project of this complexity and in part due to delays resulting from COVID-19. Restoration costs increased as a result of these delays, together with materials and wage inflation in the construction sector and supply chain difficulties.

The Trust has carefully considered the impact of the ongoing pandemic on the likely future operating environment in the area of its catering plans, visitor flow, interpretation and finances. A clear understanding of the impact of COVID-19 was demonstrated to the National Lottery Heritage Fund and Welsh Government resulting in additional funding being received. Additional funding was also secured from The Moondance Foundation of £150,000.

With an immediate focus on a successful 2022 opening, detailed project projections and business plans have been prepared, upon which the National Lottery Heritage Fund have confirmed their continued support for the project.

One of the key liabilities of the Charity at 30 April 2021 is a loan from a Charitable Incorporated Organisation (CIO) amounting to £650,000 to support Phase 2 of the restoration project. This loan is interest-free and represents a drawdown against a larger guarantee/loan facility. Five years after the completion of the renovation project, the lender will convert any outstanding part of the loan to a donation, but at its sole discretion may do so at an earlier date. This CIO has also confirmed that it will make available funds to cover a shortfall in capital funding requirements, as outlined by the current projections, along with the initial operating costs.

In these circumstances, the trustees have concluded that no adjustments or additional disclosures are required to the financial statements at this time and are satisfied that it is appropriate for the charity's financial statements to be prepared on a going concern basis.

2. ACCOUNTING POLICIES - continued

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.

This includes capital grants.

Donations and legacies income includes donations, gifts and grants that provide core funding or are of a general nature and are recognised where there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies it must be used in future accounting periods or the donor has imposed conditions which must be met before the charity has unconditional entitlement.

Income from trading activities includes income received under contract. This income is recognised as the related services are provided and there is entitlement, probability of receipt and the amount can be measured with sufficient reliability. Income is deferred when the amounts received are in advance of the performance of the service or event to which they relate.

Investment income is recognised on a receivable basis.

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.

Expenditure on costs of raising funds include costs of fundraising, advertising, marketing and direct mail materials as well as a consultancy fees.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs that, whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. This includes governance costs which are those costs associated with meeting the constitutional and statutory requirements of the charity and include the accountancy fees and costs linked to the strategic management of the charity.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any residual value, over their expected useful economic life as follows:

Plant and machinery	25% straight line
Fixtures and fittings	10% straight line
Computer equipment	33% straight line

Freehold land and buildings are held at cost and not depreciated, whilst being restored.

Fixed assets are initially recorded at cost. Only assets which cost £500 or more are capitalised.

2. ACCOUNTING POLICIES - continued

Heritage assets

Heritage assets are recognised on the balance sheet and initially measured at cost when purchased or if donated, their valuation if known. Assets are subsequently stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Fair values for donated assets are estimated by reference to market prices.

Those heritage assets currently recognised on the balance sheet have indefinite lives and are therefore not depreciated but reviewed at each reporting date for impairment.

Where information on the cost or valuation of heritage assets is not available or the cost of providing such information significantly outweighs any benefit to the users of the accounts then heritage assets are not recognised on the balance sheet.

The Trust maintains a register for its collections of heritage assets which records the nature and current location of each asset.

Investments

Investments are stated at cost less any impairment at the balance sheet date.

Taxation

The Trust has been granted exemption from UK corporation tax by virtue of its charitable status. Activities which are not primary purpose trades are within the statutory limits prescribed by the statutory exemption for small trading.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors

Debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Fund accounting

Unrestricted funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds

Designated funds are unrestricted funds which are set aside by the trustees for a specific purpose.

Restricted funds

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, is charged to the fund, together with a fair allocation of support and governance costs.

Transfers are made from restricted to unrestricted funds relating to the purchase of fixed assets from restricted income where such expenditure fulfils the terms of the restriction.

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.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2021

3. DONATIONS AND LEGACIES

	2021	2020
	£	£
Donations	21,330	1,631
Gift aid tax reclaimed	2,813	1,830
Grants	1,502,903	1,530,033
Subscriptions	3,860	3,800
	<u>1,530,906</u>	<u>1,537,294</u>

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

	2021	2020
	£	£
National Lottery Heritage Fund	1,205,623	1,306,481
The Headley Trust	-	10,000
Garfield Weston Foundation	-	50,000
Clore Duffield Foundation - Clore Cultural Learning Fund 2020	15,000	-
Esmée Fairbairn Foundation	53,334	53,333
National Lottery Community Fund - Rural Programme	44,740	31,420
Welsh Government - LEADER Programme	16,706	29,212
Herefordshire Community Foundation	-	600
Powys County Council	-	2,570
Esmée Fairbairn Foundation - COVID support	-	26,667
Brecon Beacons National Park - Sustainable Development Fund	-	11,000
Community Foundation Wales - Ashley Family Foundation	-	8,000
Oakdale Trust	-	750
The Ashley Family Foundation - Medieval Costume Community project	1,500	-
Welsh Government - Wales Cultural Recovery Fund	150,000	-
Powys County Council - Community Development Fund	10,000	-
The Mumford Memorial Trust - Restoration of the Dutch Gables	5,000	-
Powys County Council - Lockdown Business Rates grant	1,000	-
	<u>1,502,903</u>	<u>1,530,033</u>

4. TRADING ACTIVITIES

	2021	2020
	£	£
Honesty bookshop sales	730	2,878
Keepers of the Castle fundraising	-	5,000
Rental income	6,083	7,333
Events income	-	8,819
Other income	15	170
	<u>6,828</u>	<u>24,200</u>

5. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>68</u>	<u>432</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

6. RAISING FUNDS

Raising donations and legacies

	2021	2020
	£	£
Consultancy fees	<u>3,606</u>	<u>21,255</u>

Trading activities

	2021	2020
	£	£
Cost of functions and events	200	5,916
Depreciation	<u>622</u>	<u>622</u>
	<u>822</u>	<u>6,538</u>

Aggregate amounts	<u>4,428</u>	<u>27,793</u>
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7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Preservation of the heritage of Hay Castle	<u>42,295</u>	<u>45,143</u>	<u>87,438</u>

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2021	2020
	£	£
Establishment costs	32,308	27,666
Postage and stationery	500	932
Advertising and promotions	852	8,169
Repairs and maintenance	2,817	1,778
Travel	116	223
Office expenses	1,865	919
Website costs	3,595	-
Bank charges	<u>242</u>	<u>277</u>
	<u>42,295</u>	<u>39,964</u>

9. SUPPORT COSTS

	Staff costs £	Other costs £	Governance costs £	Totals £
Preservation of the heritage of Hay Castle	<u>29,248</u>	<u>7,461</u>	<u>8,434</u>	<u>45,143</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021**10. NET INCOME/(EXPENDITURE)**

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

	2021	2020
	£	£
Depreciation - owned assets	739	622
Auditors' remuneration	<u>3,800</u>	<u>4,000</u>

Depreciation is apportioned to include £622 within raising funds (note 6) and £117 within support costs (note 9).

11. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 April 2021 or for the year ended 30 April 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 April 2021 or for the year ended 30 April 2020.

12. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	74,142	64,725
Social security costs	3,796	3,894
Employer pension costs	<u>1,753</u>	<u>856</u>
	<u>79,731</u>	<u>69,475</u>

The average number of employees during the year were as follows:

	2021	2020
Employees	<u>2</u>	<u>2</u>

No employees received emoluments in excess of £60,000.

Staff costs amounting to £50,483 (2020 - £49,970) have been capitalised during the year.

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES –YEAR ENDED 30 APRIL 2020

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	33,928	1,503,366	1,537,294
Trading activities	24,200	-	24,200
Investment income	<u>432</u>	<u>-</u>	<u>432</u>
Total	58,560	1,503,366	1,561,926
EXPENDITURE ON			
Raising funds	27,793	-	27,793

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Charitable activities			
Preservation of the heritage of Hay Castle	22,288	57,805	80,093
Total	<u>50,081</u>	<u>57,805</u>	<u>107,886</u>
NET INCOME	8,479	1,445,561	1,454,040
Transfers between funds	<u>1,878,671</u>	<u>(1,878,671)</u>	<u>-</u>
Net movement in funds	1,887,150	(433,110)	1,454,040
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,791,852</u>	<u>694,429</u>	<u>5,486,281</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>6,679,002</u></u>	<u><u>261,319</u></u>	<u><u>6,940,321</u></u>

The National Lottery Heritage Fund income has been reclassified from Income from Charitable Activities to Donations and legacies.

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 May 2020	6,842,419	9,486	6,222	1,424	6,859,551
Additions	<u>1,861,196</u>	<u>-</u>	<u>-</u>	<u>2,115</u>	<u>1,863,311</u>
At 30 April 2021	<u>8,703,615</u>	<u>9,486</u>	<u>6,222</u>	<u>3,539</u>	<u>8,722,862</u>
DEPRECIATION					
At 1 May 2020	-	9,486	4,769	1,424	15,679
Charge for year	<u>-</u>	<u>-</u>	<u>622</u>	<u>117</u>	<u>739</u>
At 30 April 2021	<u>-</u>	<u>9,486</u>	<u>5,391</u>	<u>1,541</u>	<u>16,418</u>
NET BOOK VALUE					
At 30 April 2021	<u>8,703,615</u>	<u>-</u>	<u>831</u>	<u>1,998</u>	<u>8,706,444</u>
At 30 April 2020	<u>6,842,419</u>	<u>-</u>	<u>1,453</u>	<u>-</u>	<u>6,843,872</u>

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2021

15. HERITAGE ASSETS

	Total £
COST	
Additions	<u>5,700</u>
NET BOOK VALUE	
At 30 April 2021	<u>5,700</u>
At 30 April 2020	<u>-</u>

During the year the Trust acquired sculptures and portraits of Richard Booth, which are held and maintained principally for their contribution to knowledge and culture and in support of the Trust's objectives.

16. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2020 and 30 April 2021	<u>1</u>
NET BOOK VALUE	
At 30 April 2021	<u>1</u>
At 30 April 2020	<u>1</u>

There were no investment assets outside the UK.

The company's investments at the balance sheet date in the share capital of companies include the following:

Hay Castle Trading Limited

Registered office: Hay Castle, Oxford Road, Hay-on-Wye, United Kingdom, HR3 5DG

Nature of business: Dormant company

	% holding
Class of share:	
Ordinary	100

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	-	160
Other debtors	475,949	294,590
VAT	33,569	11,994
Prepayments and accrued income	<u>2,009</u>	<u>3,176</u>
	<u>511,527</u>	<u>309,920</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Bank loans (see note 20)	7,500	-
Other loans (see note 20)	650,000	200,000
Trade creditors	212,237	61,666
Amounts owed to group undertakings	1	1
Social security and other taxes	1,400	-
Other creditors	859	1,148
Accruals and deferred income	<u>141,499</u>	<u>153,790</u>
	<u>1,013,496</u>	<u>416,605</u>

Included within accruals and deferred income at 30 April 2020 was grant income of £53,334. This amount was released in full during the year. The charity had no deferred income at 30 April 2021.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Bank loans (see note 20)	<u>42,500</u>	<u>-</u>

20. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year on demand:		
Bank loans	7,500	-
Other loans	<u>650,000</u>	<u>200,000</u>
	<u>657,500</u>	<u>200,000</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>40,000</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loan > 5 years	<u>2,500</u>	<u>-</u>

The bank loan is interest bearing and was drawn under the Bounce Back Loan Scheme.

The other loan is interest free. Five years after the completion of the renovation project, the lender will convert any outstanding part of the loan to a donation but, at its sole discretion, may do so at an earlier date.

HAY CASTLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

21. MOVEMENT IN FUNDS

	At 1/5/20 £	Net movement in funds £	Transfers between funds £	At 30/4/21 £
Unrestricted funds				
General fund	(164,870)	111,644	(515,864)	(569,090)
Fixed asset fund	<u>6,843,872</u>	-	<u>1,868,272</u>	<u>8,712,144</u>
	6,679,002	111,644	1,352,408	8,143,054
Restricted funds				
National Lottery Heritage Fund	-	1,169,887	(1,169,887)	-
Regeneration of Hay Castle	108,240	-	-	108,240
Country Houses Foundation	40,000	-	(40,000)	-
Education and Activity	9,909	-	-	9,909
Heritage Skills Training	46,421	-	(13,986)	32,435
Powys War Memorials Project	2,570	-	-	2,570
Clore Cultural Learning Space	-	15,000	-	15,000
Esmée Fairbairn Foundation	33,949	49,279	(50,483)	32,745
Rural Communities Development Fund	1,000	-	-	1,000
The LEADER Programme	-	16,706	(16,706)	-
National Lottery Community Fund	-	44,740	(19,515)	25,225
Oakdale Trust	230	-	(230)	-
Hay Castle Retail start-up	11,000	-	(8,566)	2,434
Community Foundation Wales - Ashley				
Family Foundation	8,000	-	-	8,000
Gallery costs	-	22,500	(22,500)	-
Medieval Costumes community project	-	1,180	-	1,180
Development of steps linking Castle and town	-	10,000	(5,535)	4,465
Restoration of the Dutch Gables	-	5,000	(5,000)	-
	<u>261,319</u>	<u>1,334,292</u>	<u>(1,352,408)</u>	<u>243,203</u>
TOTAL FUNDS	<u>6,940,321</u>	<u>1,445,936</u>	<u>-</u>	<u>8,386,257</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	163,399	(51,755)	111,644
Restricted funds			
National Lottery Heritage Fund	1,205,623	(35,736)	1,169,887
Clore Cultural Learning Space	15,000	-	15,000
Esmée Fairbairn Foundation	53,334	(4,055)	49,279
The LEADER Programme	16,706	-	16,706
National Lottery Community Fund	44,740	-	44,740
Gallery costs	22,500	-	22,500
Medieval Costumes community project	1,500	(320)	1,180
Development of steps linking Castle and town	10,000	-	10,000
Restoration of the Dutch Gables	5,000	-	5,000
	<u>1,374,403</u>	<u>(40,111)</u>	<u>1,334,292</u>
TOTAL FUNDS	<u>1,537,802</u>	<u>(91,866)</u>	<u>1,445,936</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2021

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/5/19 £	Net movement in funds £	Transfers between funds £	At 30/4/20 £
Unrestricted funds				
General fund	(24,041)	8,479	(149,308)	(164,870)
Fixed asset fund	<u>4,815,893</u>	<u>-</u>	<u>2,027,979</u>	<u>6,843,872</u>
	4,791,852	8,479	1,878,671	6,679,002
Restricted funds				
National Lottery Heritage Fund	-	1,254,647	(1,254,647)	-
Regeneration of Hay Castle	120,000	50,000	(61,760)	108,240
Ernest Cook Trust	479	(479)	-	-
Country Houses Foundation	70,000	-	(30,000)	40,000
The Wolfson Foundation	96,000	-	(96,000)	-
The Leche Trust	2,500	-	(2,500)	-
Education and Activity	9,909	-	-	9,909
Heritage Skills Training	53,123	-	(6,702)	46,421
Powys War Memorials Project	5,000	2,570	(5,000)	2,570
The Clore Duffield Foundation	286,861	-	(286,861)	-
Esmée Fairbairn Foundation	35,557	48,361	(49,969)	33,949
Rural Communities Development Fund	5,000	-	(4,000)	1,000
The Sackler Trust	10,000	-	(10,000)	-
The Headley Trust	-	10,000	(10,000)	-
The LEADER Programme	-	29,212	(29,212)	-
National Lottery Community Fund	-	31,420	(31,420)	-
Herefordshire Community Foundation	-	600	(600)	-
Oakdale Trust	-	230	-	230
Hay Castle Retail start-up	-	11,000	-	11,000
Community Foundation Wales - Ashley Family Foundation	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
	<u>694,429</u>	<u>1,445,561</u>	<u>(1,878,671)</u>	<u>261,319</u>
TOTAL FUNDS	<u>5,486,281</u>	<u>1,454,040</u>	<u>-</u>	<u>6,940,321</u>

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	58,560	(50,081)	8,479
Restricted funds			
National Lottery Heritage Fund	1,306,481	(51,834)	1,254,647
Regeneration of Hay Castle	50,000	-	50,000
Ernest Cook Trust	-	(479)	(479)
Powys War Memorials Project	2,570	-	2,570
Esmée Fairbairn Foundation	53,333	(4,972)	48,361
The Headley Trust	10,000	-	10,000
The LEADER Programme	29,212	-	29,212
National Lottery Community Fund	31,420	-	31,420
Herefordshire Community Foundation	600	-	600
Oakdale Trust	750	(520)	230
Hay Castle Retail start-up	11,000	-	11,000
Community Foundation Wales - Ashley Family Foundation	8,000	-	8,000
	<u>1,503,366</u>	<u>(57,805)</u>	<u>1,445,561</u>
TOTAL FUNDS	<u>1,561,926</u>	<u>(107,886)</u>	<u>1,454,040</u>

Designated fixed asset fund

The fixed asset fund represents the net book value of tangible fixed assets.

National Lottery Heritage Fund

Grant funding received from the National Lottery Heritage Fund, for further development phases of Hay Castle.

Regeneration of Hay Castle

The opening balance on the fund consisted of Visit Wales funding towards the costs of 'The Regeneration of the Hay Castle' project. No further costs were incurred during the financial year. In the comparative year, £50,000 was received from the Garfield Weston Foundation which was expensed in full during that year.

Country Houses Foundation

Notification of a £100,000 grant was received in May 2016 from the trustees of the Country Houses Foundation for the replacement of the roof on the Jacobean section of Hay Castle.

Education and Activity

A £10,000 grant was received from The Hobson Charity to support the education and activity programme at Hay Castle.

Heritage Skills Training

Funding of £20,000 was received from The Dulverton Trust, and £25,675 was received from the Andrew Lloyd Webber Foundation which is to be used to establish a heritage skill training programme. In the comparative year, funding was also received from The D'Oyly Carte Charitable Trust and Santander.

Powys War Memorials Project

Grant funding of £2,570 was received during the 2020 financial year from Powys County Council which was to be used towards the costs of the repair and restoration of the war memorial. Works were carried out on this project during the Summer of 2021.

Clore Cultural Learning Space

Funding of £15,000 was received from The Clore Duffield Foundation in support of learning and community work.

21. MOVEMENT IN FUNDS - continued

Esmée Fairbairn Foundation

An annual grant of £53,333 has been awarded for 3 years starting from 1 May 2018 in respect of supporting the cost of the director post. This was the 3rd and final year of funding.

Rural Communities Development Fund

Notification of a £92,000 grant was received on 25 July 2017 towards the cost of the commercial training kitchen, workshop and education space, hardware purchase and software development.

LEADER Programme

Notification of a grant was received on 16 June 2017 from the Welsh Government Rural Communities - The LEADER Programme in Powys for a Hay Castle Digital Project.

National Lottery Community Fund

Notification of a grant was received on 27 July 2017 from the National Lottery funded Rural programme - Community Grants for the Hay Castle Community Hub. The purpose of the funding is to reduce isolation for community members and improve the skills of residents and visitors in Hay-on-Wye.

Oakdale Trust

Funding of £750 was received from the Oakdale Trust for the Hay Castle: Memories of the Town of Books project.

Hay Castle Retail start-up

Funding of £11,000 was received from the Brecon Beacons National Park Sustainable Development Fund to support the renovation cost for 5 retail start-up units at Hay Castle.

Community Foundation Wales - Ashley Family Foundation

Funding of £8,000 received towards artistic production/materials, marketing and publicity, artist fees, artist travel costs and expenses, art transport, insurance and installation, project management and evaluation.

Gallery costs

A donation of £10,000 was received from two donors in the year; SR & PH Southall Charitable Trust and C & C Compton towards the capital cost of the gallery works. Associated gift aid income of £2,500 has also been allocated to the fund.

Medieval Costumes community project

Funding was received from The Ashley Family Foundation towards a medieval costume community project.

Development of steps linking Castle and town

Funding was received from Powys County Council, under the Community Development Fund, for the development of the steps linking the Castle and the town.

Restoration of the Dutch Gables

Funding was received from The Mumford Memorial Trust towards the restoration costs of the Dutch Gables, a key architectural feature of the building.

Comparative year only

Ernst Cook Trust

Grant funding of £10,000 was received during the previous year from the Ernest Cook Trust towards the cost of a heritage learning officer post and activities plan.

The Wolfson Foundation

Notification of a £96,000 grant was received on 16 December 2016 from the trustees of The Wolfson Foundation towards the cost of a new sculpture gallery. This work was completed during the year.

The Leche Trust

Grant funding received from The Leche Trust which is to be used towards the costs of window repairs at Hay Castle. This work was completed during the year.

21. MOVEMENT IN FUNDS - continued

The Clore Duffield Foundation

Notification of a £150,000 grant was received on 6 December 2017 from the Clore Duffield Foundation towards the cost of the learning space project. This was followed by a further notification of £150,000 from the Communities Facilities Programme on 21 January 2019.

The Sackler Trust

Grant funding of £10,000 was received during the previous year from The Sackler Trust to support the creation of a gallery of high conservation and environmental standards that will enable works of national importance to be borrowed from galleries and museums, opening up art and heritage to new audiences in the rural borderlands.

The Headley Trust

Funding of £10,000 was received in the year from The Headley Trust for The Great Gates restoration.

Herefordshire Community Foundation

The Trust was successful in its application to the Herefordshire Community Foundation and was awarded £600 from the Becket Bulmer fund to undertake tree works.

Transfers between funds

Transfers totalling £1,352,408 have been made from the general fund to a number of restricted funds in the year in respect of the assets purchased, where the purchase of assets results in the restriction being met.

In addition, a transfer of £1,868,272 was made to the designated fixed asset fund, which represents the net book value of the fixed assets at the balance sheet date.

22. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The pension cost for the year represents contributions payable by the charity to the scheme and amounted to £1,753 (2020: £856).

Contributions totalling £353 (2020: £348) were payable to the scheme at the year end and are included in creditors.

23. CONTINGENT LIABILITIES

In line with the terms of the grant, prior approval from the National Lottery Heritage Fund is required should the property be sold, and the National Lottery Heritage Fund may require a share of the net proceeds. It is not the intention of the trustees to sell the property.

24. CAPITAL COMMITMENTS

At the year end the Trust had capital commitments with the main contractors for approximately £1.65m and for professional fees of £154,000. These commitments will be subject to the usual retentions and late completion penalties which are unknown at this point in time.

There are also capital commitments for the Interpretation Scheme design and installation of £56,000 as well as Gallery fit-out costs of £30,000.

The National Lottery Heritage Fund are continuing to support the restoration project and will fund a significant proportion of the commitments noted above.

25. RELATED PARTY DISCLOSURES

During the year Mrs N L Albert received remuneration (including Employers NI) of £56,093 (2020: £55,521). Mrs Albert is the spouse of Mr J Albert, a trustee of the charity. Mrs N L Albert is considered to be the only member of key management personnel.

During the year the charity received interest free loans totalling £450,000 (2020 - £200,000) from Lindenleaf CIO, a charity with a number of trustees in common. At 30 April 2021 the loan balance of £650,000 (2020 - £200,000) is disclosed within creditors: amounts falling due within one year.

HAY CASTLE TRUST LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	21,330	1,631
Gift aid tax reclaimed	2,813	1,830
Grants	1,502,903	1,530,033
Subscriptions	<u>3,860</u>	<u>3,800</u>
	1,530,906	1,537,294
Trading activities		
Honesty bookshop sales	730	2,878
Keepers of the Castle fundraising	-	5,000
Rental income	6,083	7,333
Events income	-	8,819
Other income	<u>15</u>	<u>170</u>
	6,828	24,200
Investment income		
Deposit account interest	<u>68</u>	<u>432</u>
Total incoming resources	1,537,802	1,561,926
EXPENDITURE		
Raising donations and legacies		
Consultancy fees	3,606	21,255
Trading activities		
Cost of functions and events	200	5,916
Depreciation of tangible fixed assets	<u>622</u>	<u>622</u>
	822	6,538
Charitable activities		
Establishment costs	32,308	27,666
Postage and stationery	500	932
Advertising and promotions	852	8,169
Repairs and maintenance	2,817	1,778
Travel	116	223
Office expenses	1,865	919
Website costs	3,595	-
Bank charges	<u>242</u>	<u>277</u>
	42,295	39,964
Support costs		
Staff costs		
Wages	27,439	18,022
Social security	1,198	1,219
Pensions	<u>611</u>	<u>264</u>
	29,248	19,505

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HAY CASTLE TRUST LIMITED**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 APRIL 2021**

	2021 £	2020 £
Staff costs		
Other		
Sundries	2,630	2,532
Consultancy fees	4,714	7,650
Depreciation of tangible fixed assets	<u>117</u>	<u>-</u>
	7,461	10,182
 Governance costs		
Accountancy fees	3,800	4,000
Professional fees	<u>4,634</u>	<u>6,442</u>
	8,434	10,442
 Total resources expended	<u>91,866</u>	<u>107,886</u>
 Net income	<u>1,445,936</u>	<u>1,454,040</u>

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