

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**

	Page
Report of the Trustees	1 to 4
Report of the Independent Auditors	5 to 7
Statement of Financial Activities	8
Balance Sheet	9
Cash Flow Statement	10
Notes to the Cash Flow Statement	11
Notes to the Financial Statements	12 to 26
Detailed Statement of Financial Activities	27 to 28

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 Trustees25/1/2022..... 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

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>

HAY CASTLE TRUST LIMITED

**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	-	<u>5,000</u>	<u>(5,000)</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>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	<u>5,000</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>

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>
	<u>8,434</u>	<u>10,442</u>
 Total resources expended	<u>91,866</u>	<u>107,886</u>
 Net income	<u><u>1,445,936</u></u>	<u><u>1,454,040</u></u>

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