

Report of the Trustees and
Unaudited Financial Statements
for the Year Ended 31 March 2023
for
Hylton Castle Trust

TTR Barnes Limited
Chartered Accountants
3-5 Grange Terrace
Stockton Road
Sunderland
Tyne & Wear
SR2 7DG

Hylton Castle Trust

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**Report of the Trustees
for the year ended 31 March 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 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

Hylton Castle Trust exists to manage Hylton Castle and Dene on the local community's behalf. The restoration works on Hylton Castle have recently been fully completed and the castle is now open as a community-led heritage centre. Hylton Castle Trust will be working with partners to provide work placements and training opportunities for local people. The Charitable Company sees its principle objectives as:

- ensuring the care and maintenance of Hylton Castle
- where possible and feasible, generating employment, learning and work experience and other community benefits through the operation of the Castle as a visitor facility, learning/exhibition/event space, and tea room
- preserving and conserving the collection of historical asset

The charitable company is also pursuing the following aims and aspirations:

- to continue to develop the educational value and use of the site

Public benefit

The Trustees have had regard to the Charity Commission's guidance on their legal duty on public benefit, and are satisfied that the charitable company delivers public benefit in terms of accessibility to a site of such historical significance, and due regard is paid to the guidance on public benefit when reviewing the charitable company's aims and objectives and when deciding what new projects the charitable company should undertake.

Volunteers

To engage volunteers is essential in the continued operation of the charity and further details are provided in the Chairperson's Report.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The charitable company's main activities are:

- preservation of the historic Castle and grounds
- ensuring safe public access to the site
- facilitating educational and instructional visits with schools and the wider public
- repairs, maintenance and upkeep of the castle and grounds
- providing a range of events and activities to increase visitor engagement

Details of achievements is provided in the Chairperson's report

Fundraising activities

Fundraising activities are undertaken to raise funds for the continued operation of the site. Such activities include afternoon teas.

FINANCIAL REVIEW

Financial position

The surplus in the year amounted to £34,116 (2022: £7,676). Restricted fund projects achieved a surplus of £362 in the year. The general reserve stands at £43,053 (2022: £9,299). The balance of restricted reserves stands at £10,878 (2022: £10,516).

Principal funding sources

The principle funding source in the year was income from grants.

**Report of the Trustees
for the year ended 31 March 2023**

FINANCIAL REVIEW

Investment policy and objectives

Hylton Castle endeavours to retain a prudent amount in reserves each year. The majority of funds however are spent in the short term so there are few funds for long term investment.

Reserves policy

To maintain general/unrestricted funds at a level which will cover 3 months operational and salary costs as a minimum supported by funds held by Sunderland City Council on behalf of the charitable company.

Going concern

The Trustees are aware of the continued need to secure sources of funding going forward and to work towards being self-sustaining, however, they have secured grant funding via Sunderland City Council from the National Lottery Heritage Fund and English Heritage. The English Heritage funding is secured for 5 years and the National Lottery Heritage Fund grant is also secured and released quarterly based upon approved expenditure. For this reason, the Trustees consider it appropriate that these accounts are prepared on a going concern basis.

FUTURE PLANS

It is important to continue to forge and invest in strategic partnerships to ensure success, the difficult economic situation continues but the Trustees are positive and continue to strive and work towards being a self-sustaining operation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

The number of trustees is determined in the Company's Memorandum and Articles of Association and appointments can be made at any Board meeting. The trustees must submit themselves for re-election once every three years.

Organisational structure

The sub-group, Finance and General Purposes, authorise expenditure as a quorate group on behalf of Hylton Castle Trustees.

Induction and training of new trustees

Most trustees, (directors), are already familiar with the practical work involved in the operation of the castle and are already involved with the hosting of events.

Furthermore, any new trustees are invited and encouraged to attend a tour of the Hylton Castle site where they will be informed about:

- the obligations of trustees
- the main documents which set out the operational framework for the charity including Memorandum and Articles
- resourcing and the current financial position as set out in the latest published accounts
- future plans and objective

Risk management

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

The board has conducted its own review of the major risks to which the charity is exposed and systems have been established to minimise those risks. External risks relate to the generation of future funding and further details are provided in the Chairman's Report.

Internal risks are minimised by the implementation of procedures for authorisation of all transactions and events and to ensure consistent quality of delivery for all operational aspects of the charity. The operations are reviewed to ensure that they still meet the needs of the charity.

**Report of the Trustees
for the year ended 31 March 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

10870254 (England and Wales)

Registered Charity number

1180548

Registered office

Winchester House
Baxter Road
Sunderland
SR5 4LW

Trustees

Mrs S Ord
R E Wilson - Retired
S L Hearn - Heritage Officer
C Liddle - Manager
Mrs D Macknight - Councillor
R Singh - Retired
J Smith - Retired
Cllr D Wilson - Councillor
J C Wilson - Retired
G K Macknight - Retired

Independent Examiner

David Cook FCCA
TTR Barnes Limited
Chartered Accountants
3-5 Grange Terrace
Stockton Road
Sunderland
Tyne & Wear
SR2 7DG

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 20 December 2023 and signed on its behalf by:

R E Wilson - Trustee

**Independent Examiner's Report to the Trustees of
Hylton Castle Trust (Registered number: 10870254)**

Independent examiner's report to the trustees of Hylton Castle Trust ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2023.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under Section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under Section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by Section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of Section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

David Cook FCCA

TTR Barnes Limited
Chartered Accountants
3-5 Grange Terrace
Stockton Road
Sunderland
Tyne & Wear
SR2 7DG

21 December 2023

Hylton Castle Trust

Statement of Financial Activities for the year ended 31 March 2023

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies		11,782	336,701	348,483	256,948
Other trading activities	2	44,973	-	44,973	12,212
Total		<u>56,755</u>	<u>336,701</u>	<u>393,456</u>	<u>269,160</u>
EXPENDITURE ON					
Raising funds		21,166	21,819	42,985	10,610
Charitable activities					
Operation of Hylton Castle		1,835	314,520	316,355	250,874
Total		<u>23,001</u>	<u>336,339</u>	<u>359,340</u>	<u>261,484</u>
NET INCOME		33,754	362	34,116	7,676
RECONCILIATION OF FUNDS					
Total funds brought forward		9,299	10,516	19,815	12,139
TOTAL FUNDS CARRIED FORWARD		<u><u>43,053</u></u>	<u><u>10,878</u></u>	<u><u>53,931</u></u>	<u><u>19,815</u></u>

The notes form part of these financial statements

Hylton Castle Trust (Registered number: 10870254)

**Statement of Financial Position
31 March 2023**

	Notes	Unrestricted fund £	Restricted funds £	2023 Total funds £	2022 Total funds £
CURRENT ASSETS					
Debtors	6	11,783	158,038	169,821	148,965
Cash at bank		33,065	57,417	90,482	28,657
		<u>44,848</u>	<u>215,455</u>	<u>260,303</u>	<u>177,622</u>
CREDITORS					
Amounts falling due within one year	7	(1,795)	(204,577)	(206,372)	(157,807)
NET CURRENT ASSETS		<u>43,053</u>	<u>10,878</u>	<u>53,931</u>	<u>19,815</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,053</u>	<u>10,878</u>	<u>53,931</u>	<u>19,815</u>
NET ASSETS/(LIABILITIES)		<u>43,053</u>	<u>10,878</u>	<u>53,931</u>	<u>19,815</u>
FUNDS	9				
Unrestricted funds				43,053	9,299
Restricted funds				10,878	10,516
TOTAL FUNDS				<u>53,931</u>	<u>19,815</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

These financial statements have been 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 20 December 2023 and were signed on its behalf by:

R E Wilson - Trustee

The notes form part of these financial statements

**Notes to the Financial Statements
for the year ended 31 March 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have also been prepared on the going concern basis, which assumes that the private charitable company limited by guarantee, will continue in operational existence for the foreseeable future, which the trustees consider appropriate with the reserves available.

The charitable company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

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.

Income from government and other grants, whether 'capital' or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest receivable on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank

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.

Raising funds

Fundraising events are held to raise funds for the operation of the charity. Such events include holding afternoon teas and Christmas activities, alongside family activities throughout the year.

Governance costs

Governance costs include the general running costs of the charity. These costs provide the governance infrastructure to allow the charity to operate and generate the information required for public accountability.

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Notes to the Financial Statements - continued
for the year ended 31 March 2023**

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Donated goods and voluntary labour

The Charitable company is in benefit from the many hours of voluntary labour donated by its supporters in relation to the running of the site, fundraising and administration. The value of these services has not been evaluated.

Cash at bank and in hand

Cash at bank and cash in hand includes cash includes cash and short term highly liquid investments which are instantly accessible from the opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any discounts due.

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.

2. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	41,096	233
Tea Rooms	3,877	11,979
	<u>44,973</u>	<u>12,212</u>

3. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Other operating leases	<u>2,600</u>	<u>1,524</u>

4. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Hylton Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2023

5. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,850	255,098	256,948
Other trading activities	12,212	-	12,212
Total	<u>14,062</u>	<u>255,098</u>	<u>269,160</u>
EXPENDITURE ON			
Raising funds	5,771	4,839	10,610
Charitable activities			
Operation of Hylton Castle	2,192	248,682	250,874
Total	<u>7,963</u>	<u>253,521</u>	<u>261,484</u>
NET INCOME	6,099	1,577	7,676
RECONCILIATION OF FUNDS			
Total funds brought forward	3,201	8,938	12,139
TOTAL FUNDS CARRIED FORWARD	<u>9,300</u>	<u>10,515</u>	<u>19,815</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	<u>169,821</u>	<u>148,965</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans and overdrafts (see note 8)	47,506	-
Trade creditors	157,114	156,056
Accruals and deferred income	1,752	1,751
	<u>206,372</u>	<u>157,807</u>

Hylton Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2023

8. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year on demand:		
Bank overdrafts	47,506	-

9. MOVEMENT IN FUNDS

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
Unrestricted funds			
General fund	9,299	33,754	43,053
Restricted funds			
Sunderland City Council	10,516	(10,986)	(470)
All Together Consortium	-	11,348	11,348
	10,516	362	10,878
TOTAL FUNDS	19,815	34,116	53,931

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	56,755	(23,001)	33,754
Restricted funds			
Sunderland City Council	146,310	(157,296)	(10,986)
National Lottery Heritage Fund	151,391	(151,391)	-
English Heritage	25,000	(25,000)	-
All Together Consortium	14,000	(2,652)	11,348
	336,701	(336,339)	362
TOTAL FUNDS	393,456	(359,340)	34,116

Hylton Castle Trust

Notes to the Financial Statements - continued for the year ended 31 March 2023

9. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/4/21 £	Net movement in funds £	Transfers between funds £	At 31/3/22 £
Unrestricted funds				
General fund	3,201	6,098	-	9,299
Restricted funds				
Sunderland City Council	8,938	2,781	(1,203)	10,516
National Lottery Heritage Fund	-	(1,203)	1,203	-
	<u>8,938</u>	<u>1,578</u>	<u>-</u>	<u>10,516</u>
TOTAL FUNDS	<u>12,139</u>	<u>7,676</u>	<u>-</u>	<u>19,815</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	14,062	(7,964)	6,098
Restricted funds			
Sunderland City Council	133,066	(130,285)	2,781
National Lottery Heritage Fund	97,032	(98,235)	(1,203)
English Heritage	25,000	(25,000)	-
	<u>255,098</u>	<u>(253,520)</u>	<u>1,578</u>
TOTAL FUNDS	<u>269,160</u>	<u>(261,484)</u>	<u>7,676</u>

Sunderland City Council

Funding is received from Sunderland City Council to support the purpose of delivering the Business Plan to develop Hylton Castle into a self-sustaining heritage led visitor facility, learning/exhibition/event space and café.

National Lottery Heritage Fund

The funding secured from NLHF is delivered via Sunderland City Council and also serves the purpose of delivering the Business Plan to develop Hylton Castle into a self-sustaining heritage led visitor facility, learning/exhibition/event space and café.

English Heritage Fund

The funding secured from English Heritage is also delivered via Sunderland City Council and also serves the purpose of delivering the Business Plan to develop Hylton Castle into a self-sustaining heritage led visitor facility, learning/exhibition/event space and café.

Hylton Castle Trust

**Notes to the Financial Statements - continued
for the year ended 31 March 2023**

10. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2023.

Hylton Castle Trust

Detailed Statement of Financial Activities for the year ended 31 March 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	3,777	498
Rent received	8,005	1,350
NLHF	151,390	97,033
SCC	146,311	133,067
English Heritage	25,000	25,000
HAF	14,000	-
	<hr/>	<hr/>
	348,483	256,948
Other trading activities		
Fundraising events	41,096	233
Tea Rooms	3,877	11,979
	<hr/>	<hr/>
	44,973	12,212
Total incoming resources	<hr/>	<hr/>
	393,456	269,160
EXPENDITURE		
Other trading activities		
Purchases	42,985	10,610
Charitable activities		
Staff costs	137,705	55,883
Rent	2,600	1,524
Rates and water	854	540
Insurance	1,166	25
Light and heat	23,476	24,767
Telephone	2,845	6,103
Postage and stationery	135	1,436
Advertising	10,506	13,902
Sundries	1,424	20,751
Security costs	-	37,047
	<hr/>	<hr/>
	180,711	161,978
Support costs		
Finance		
Bank charges	72	96
Information technology		
Repairs and renewals	67,121	12,074
Governance costs		
Accountancy	1,620	1,423
Carried forward	1,620	1,423

This page does not form part of the statutory financial statements

Hylton Castle Trust

Detailed Statement of Financial Activities for the year ended 31 March 2023

	2023 £	2022 £
Governance costs		
Brought forward	1,620	1,423
Professional fees	66,831	75,303
	<hr/>	<hr/>
	68,451	76,726
	<hr/>	<hr/>
Total resources expended	359,340	261,484
	<hr/>	<hr/>
Net income	34,116	7,676
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