

REGISTERED CHARITY NUMBER: 519693

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
THE PICTON CASTLE TRUST**

Llewelyn Davies
Chartered Accountants / Statutory Auditors
Yelverton House
St John Street
Whitland
Carmarthenshire
SA34 0AW

THE PICTON CASTLE TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. 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

- 1 To preserve the whole of Picton or such parts as are of national, scenic, historical, architectural, aesthetic, scientific or artistic importance.
- 2 To protect and improve its amenities for the public benefit.
- 3 To preserve its chattels.
- 4 To facilitate and encourage access to, and the study and appreciation of, Picton and its chattels by the public.
- 5 Such other charitable purposes as the trustees shall determine.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The pandemic induced lockdowns had a huge impact on our charitable activities in 2020. There were three lockdowns in Wales which had a negative impact on our events programme, they were:

1. 23 March to 10 July;
2. 17 October to 6 November;
3. 14 December to the end of the year.

The Picton Castle Trust took part in the government furlough schemes - whilst retaining three members of staff in full time employment. This meant that there were no staff redundancies as a result of the pandemic

We successfully applied for support from the Economic Resilience Fund, The Wolfson Foundation and Pembrokeshire County Council.

During 2020 further progress was made in promoting the objectives of the trust.

Objectives 1, 2 and 3

Holiday cottages

The castle and gardens opening all year has had a positive effect on winter bookings for the Historic Gate Lodges which are promoted on social media to improve accessibility. The pandemic and lockdowns led to large scale cancellations, but many bookings were transferred to 2021.

The Welsh Owl Garden

Situated in the Bluebell Woods, the site is now fully open as an additional offer for visitors, at no extra charge, and increases their dwell time on site. Their collection is expanding to include other species of birds and exotics that are used in handling sessions and displays. The Welsh Owl Garden are heavily involved in outreach, education and conservation.

Garden

The Walled Garden Restoration having secured Heritage Lottery Funding and support from other funders is now in the delivery/build phase. There is also management and volunteer commitment from the Picton Castle Trust team. The project began in 2019 and it was hoped that the build project will be completed in December 2020. The lockdowns meant that build and interpretation completion dates have had to be extended into 2021.

The project has created employment and educational opportunities with the appointment of the Assistant Director/Heritage and Learning plus two trainee posts yet to be appointed.

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Objective 4

The Picton Library Project - to record, condition report and conserve the book collection at Picton is being carried out by the Arts Society volunteers. There was a book training day with Caroline Bendix held here on 5 March. Sadly there were only a few possible sessions carried out before the first lockdown; the scheme will be revived when government guidance allows.

We continue to develop a varied and innovative event programme to further support our income streams and to provide different and deeper access to the castle and grounds. However, the majority had to be cancelled.

The Halloween event and the Magical Family Christmas event on weekends leading up to Christmas had to be cancelled.

Coach and cruise ship booked tours were also adversely affected. We only had four booked coach tours in 2020 - in contrast to over one hundred in 2019

None of the planned winter events, private parties and tours in the castle could go ahead. Smaller pop up events and tours of the gardens and collections were developed and some were able to be delivered.

Objective 5

The volunteer programme which was successfully introduced to support the garden team has continued to grow but has been on hold during the lockdown.

The Great Gardens of West Wales group that we developed to enable joint promotion and publicity continues to be popular and the decision was taken to continue to develop the programme into 2021

We continue to develop the programmes of family friendly events to encourage repeat visits to the castle and gardens as and when the guidance allows.

Financial performance

The trust's incoming resources for the year amounted to £863,033 (2019 - £533,919) the analysis being shown in the accompanying statement of financial activities. Donations accounted for the majority of the increase on the previous year.

The net expenditure was £212,257 (2019 - £25,747). The policy to carry investments at market value resulted in losses of £53,596 on investment assets (2019 - gains of £196,410) and so there was a net deficit of £265,853 (2019 - surplus of £170,663) transferred to funds. £118,210 was transferred from general fund to cover the contribution to the walled garden repairs. The balance on the general fund at 31 December 2020 was £4,019,905.

Capital expenditure for the year to 31 December 2020 totalled £1,365, a breakdown of which is shown in the notes to the financial statements.

During the year there was some trading in investments and some funds were released to fund the operating costs. The investments at 31 December 2020 are shown in the accounts at a market value of £1,170,403 (2019 - £1,444,912).

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Investment policy and objectives

In accordance with the trust deed, the trustees have the power to invest in such stocks, shares, investments and property as they see fit. During the year the trustees engaged Rathbones as investment managers. The policy is to adopt a medium risk investment strategy based on maximising income.

Reserves policy

It is the policy of the trust to ensure that a suitable income stream is generated from the fund assets to finance the ongoing work of the charity and to cover management and administration and support costs. The funds are represented by a portfolio of investments which are managed by investment managers who have been given discretionary power to acquire and dispose of investments within the policy set by the trustees. The fund also holds the tangible fixed assets, which include the castle buildings, grounds and exhibits.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The trust is governed by its trust deed of 24 November 1987. It is a registered charity.

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 trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the trust, and are satisfied that systems are in place to mitigate our exposure to the major risks.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

519693

Principal address

Picton Castle
Rhos
Haverfordwest
Pembrokeshire
SA62 4AS

Trustees

Mrs S Philipps (resigned 20/2/2021)
Mr D Ellis
Miss N J Philipps (appointed 20/2/2021)
Mr I Stokes (resigned 30/10/2020)
Mr T Arthur
Mr C W M Carter
Ms C M Shand (appointed 20/2/2021)
Mr C L Atherton (appointed 4/3/2021)

Auditors

Llewelyn Davies
Chartered Accountants / Statutory Auditors
Yelverton House
St John Street
Whitland
Carmarthenshire
SA34 0AW

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Bankers

National Westminster
High Street
Haverfordwest
Pembrokeshire

Solicitors

Lowless Commercial
30 Hamilton Terrace
Milford Haven
Pembrokeshire
SA73 3JJ

Investment Advisers

Rathbones
1 Curzon Street
London
W1J 5FB

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees 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).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 26 October 2021 and signed on its behalf by:

Mr D Ellis - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE PICTON CASTLE TRUST

Opinion

We have audited the financial statements of The Picton Castle Trust (the 'charity') for the year ended 31 December 2020 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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.

Matters on which we are required to report by exception

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE PICTON CASTLE TRUST

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or noncompliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates, drawing on our broad sector experience, and considered the risk of acts by the charity that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011 and UK tax legislation.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of meetings held and correspondence between the company and its solicitors.

Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF THE PICTON CASTLE TRUST

Our responsibilities for the audit of the financial statements

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Llewelyn Davies
Chartered Accountants / Statutory Auditors
Yelverton House
St John Street
Whitland
Carmarthenshire
SA34 0AW

Date: 26 October 2021

THE PICTON CASTLE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	165,564	484,693	650,257	159,195
Charitable activities					
Castle and grounds	5	98,723	-	98,723	224,764
Other trading activities	3	16,798	-	16,798	26,945
Investment income	4	<u>97,255</u>	<u>-</u>	<u>97,255</u>	<u>123,015</u>
Total		378,340	484,693	863,033	533,919
EXPENDITURE ON					
Raising funds	6	45,862	-	45,862	58,057
Charitable activities					
Castle and grounds	7	384,489	644,939	1,029,428	501,609
Total		430,351	644,939	1,075,290	559,666
Net gains/(losses) on investments		<u>(53,596)</u>	<u>-</u>	<u>(53,596)</u>	<u>196,410</u>
NET INCOME/(EXPENDITURE)		(105,607)	(160,246)	(265,853)	170,663
Transfers between funds	21	<u>(118,210)</u>	<u>118,210</u>	<u>-</u>	<u>-</u>
Net movement in funds		(223,817)	(42,036)	(265,853)	170,663
RECONCILIATION OF FUNDS					
Total funds brought forward		4,243,722	66,563	4,310,285	4,139,622
TOTAL FUNDS CARRIED FORWARD		<u>4,019,905</u>	<u>24,527</u>	<u>4,044,432</u>	<u>4,310,285</u>

The notes form part of these financial statements

THE PICTON CASTLE TRUST**BALANCE SHEET
31 DECEMBER 2020**

	Notes	Unrestricted fund £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	12	626,857	23,660	650,517	657,014
Heritage assets	13	2,087,100	-	2,087,100	2,087,100
Investments	14	<u>1,170,403</u>	<u>-</u>	<u>1,170,403</u>	<u>1,444,912</u>
		3,884,360	23,660	3,908,020	4,189,026
CURRENT ASSETS					
Stocks	15	13,404	-	13,404	13,504
Debtors	16	71,637	-	71,637	39,716
Cash at bank and in hand		<u>204,768</u>	<u>867</u>	<u>205,635</u>	<u>118,743</u>
		289,809	867	290,676	171,963
CREDITORS					
Amounts falling due within one year	17	<u>(145,683)</u>	<u>-</u>	<u>(145,683)</u>	<u>(38,138)</u>
NET CURRENT ASSETS		<u>144,126</u>	<u>867</u>	<u>144,993</u>	<u>133,825</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,028,486	24,527	4,053,013	4,322,851
CREDITORS					
Amounts falling due after more than one year	18	<u>(8,581)</u>	<u>-</u>	<u>(8,581)</u>	<u>(12,566)</u>
NET ASSETS		<u>4,019,905</u>	<u>24,527</u>	<u>4,044,432</u>	<u>4,310,285</u>
FUNDS	21				
Unrestricted funds				4,019,905	4,243,722
Restricted funds				<u>24,527</u>	<u>66,563</u>
TOTAL FUNDS				<u>4,044,432</u>	<u>4,310,285</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 October 2021 and were signed on its behalf by:

Mr D Ellis - Trustee

The notes form part of these financial statements

THE PICTON CASTLE TRUST**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(117,716)	(33,494)
Interest paid		(6)	(29)
Interest element of hire purchase payments paid		<u>(691)</u>	<u>(962)</u>
Net cash used in operating activities		<u>(118,413)</u>	<u>(34,485)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,365)	(327)
Purchase of fixed asset investments		(116,493)	(67,110)
Sale of fixed asset investments		337,406	198,644
Interest received		<u>1,055</u>	<u>1,333</u>
Net cash provided by investing activities		<u>220,603</u>	<u>132,540</u>
Cash flows from financing activities			
Capital repayments in year		<u>(4,162)</u>	<u>(5,052)</u>
Net cash used in financing activities		<u>(4,162)</u>	<u>(5,052)</u>
Change in cash and cash equivalents in the reporting period			
		98,028	93,003
Cash and cash equivalents at the beginning of the reporting period	2	<u>107,607</u>	<u>14,604</u>
Cash and cash equivalents at the end of the reporting period	2	<u>205,635</u>	<u>107,607</u>

The notes form part of these financial statements

THE PICTON CASTLE TRUST

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(265,853)	170,663
Adjustments for:		
Depreciation charges	7,862	9,126
Losses/(gain) on investments	53,596	(196,410)
Interest received	(1,055)	(1,333)
Interest paid	6	29
Interest element of hire purchase and finance lease rental payments	691	962
Decrease/(increase) in stocks	100	(321)
Increase in debtors	(31,921)	(14,154)
Increase/(decrease) in creditors	<u>118,858</u>	<u>(2,056)</u>
Net cash used in operations	<u>(117,716)</u>	<u>(33,494)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	2,644	2,786
Notice deposits (less than 3 months)	202,991	115,957
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(11,136)</u>
Total cash and cash equivalents	<u>205,635</u>	<u>107,607</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20 £	Cash flow £	At 31.12.20 £
Net cash			
Cash at bank and in hand	118,743	86,892	205,635
Bank overdraft	<u>(11,136)</u>	<u>11,136</u>	<u>-</u>
	<u>107,607</u>	<u>98,028</u>	<u>205,635</u>
Debt			
Finance leases	<u>(16,728)</u>	<u>4,162</u>	<u>(12,566)</u>
	<u>(16,728)</u>	<u>4,162</u>	<u>(12,566)</u>
Total	<u>90,879</u>	<u>102,190</u>	<u>193,069</u>

The notes form part of these financial statements

THE PICTON CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, 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 Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Plant and machinery	- 20% on cost
Fixtures and fittings	- 15% to 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from 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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****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.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme and contributes to employees' personal pension schemes. Contributions payable are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2020	2019
	£	£
Donations	118,063	113,197
Gift aid	25,886	25,120
Grants	<u>506,308</u>	<u>20,878</u>
	<u>650,257</u>	<u>159,195</u>

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

	2020	2019
	£	£
Heritage Lottery Fund	420,580	20,878
Millennium Stadium Charitable Trust	2,500	-
Job Retention Scheme	55,728	-
Welsh Government Resilience Fund	<u>27,500</u>	<u>-</u>
	<u>506,308</u>	<u>20,878</u>

3. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Shop income	<u>16,798</u>	<u>26,945</u>

4. INVESTMENT INCOME

	2020	2019
	£	£
Rents received	59,842	77,966
Dividends receivable	36,358	43,716
Interest receivable	<u>1,055</u>	<u>1,333</u>
	<u>97,255</u>	<u>123,015</u>

5. INCOME FROM CHARITABLE ACTIVITIES

		2020	2019
	Activity	£	£
Admissions	Castle and grounds	87,144	205,242
Sale of garden produce	Castle and grounds	9,724	16,253
Gallery and booklet sales	Castle and grounds	1,855	3,228
Booking fees	Castle and grounds	<u>-</u>	<u>41</u>
		<u>98,723</u>	<u>224,764</u>

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****6. RAISING FUNDS****Other trading activities**

	2020	2019
	£	£
Opening stock	9,190	7,909
Purchases	12,306	17,621
Closing stock	(9,371)	(9,190)
Staff costs	21,534	24,790
Stationery and packaging	62	304
Credit card charges and rental	<u>2,415</u>	<u>3,343</u>
	<u>36,136</u>	<u>44,777</u>

Investment management costs

	2020	2019
	£	£
Stock-brokers' fees	9,017	10,138
Letting agents' fees	336	2,602
Bad debts	<u>373</u>	<u>540</u>
	<u>9,726</u>	<u>13,280</u>

Aggregate amounts	<u>45,862</u>	<u>58,057</u>
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7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Castle and grounds	<u>991,381</u>	<u>38,047</u>	<u>1,029,428</u>

8. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Castle and grounds	<u>28,881</u>	<u>5,076</u>	<u>4,090</u>	<u>38,047</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. STAFF COSTS

	2020 £	2019 £
Wages and salaries	220,391	205,096
Social security costs	9,640	10,286
Other pension costs	<u>4,477</u>	<u>3,860</u>
	<u>234,508</u>	<u>219,242</u>

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

	2020	2019
Full time equivalents	<u>17</u>	<u>16</u>

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

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	25,776	133,419	159,195
Charitable activities			
Castle and grounds	224,764	-	224,764
Other trading activities	26,945	-	26,945
Investment income	<u>123,015</u>	-	<u>123,015</u>
Total	400,500	133,419	533,919
EXPENDITURE ON			
Raising funds	58,057	-	58,057
Charitable activities			
Castle and grounds	409,128	92,481	501,609
Total	467,185	92,481	559,666
Net gains on investments	<u>196,410</u>	-	<u>196,410</u>
NET INCOME	129,725	40,938	170,663
RECONCILIATION OF FUNDS			
Total funds brought forward	4,113,997	25,625	4,139,622
TOTAL FUNDS CARRIED FORWARD	<u>4,243,722</u>	<u>66,563</u>	<u>4,310,285</u>

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020****12. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2020	639,786	67,480	64,896	772,162
Additions	<u>-</u>	<u>580</u>	<u>785</u>	<u>1,365</u>
At 31 December 2020	<u>639,786</u>	<u>68,060</u>	<u>65,681</u>	<u>773,527</u>
DEPRECIATION				
At 1 January 2020	-	54,643	60,505	115,148
Charge for year	<u>-</u>	<u>6,997</u>	<u>865</u>	<u>7,862</u>
At 31 December 2020	<u>-</u>	<u>61,640</u>	<u>61,370</u>	<u>123,010</u>
NET BOOK VALUE				
At 31 December 2020	<u>639,786</u>	<u>6,420</u>	<u>4,311</u>	<u>650,517</u>
At 31 December 2019	<u>639,786</u>	<u>12,837</u>	<u>4,391</u>	<u>657,014</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 January 2020 and 31 December 2020	<u>28,695</u>
DEPRECIATION	
At 1 January 2020	18,197
Charge for year	<u>5,739</u>
At 31 December 2020	<u>23,936</u>
NET BOOK VALUE	
At 31 December 2020	<u>4,759</u>
At 31 December 2019	<u>10,498</u>

THE PICTON CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2020

13. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 January 2020 and 31 December 2020	<u>2,087,100</u>
NET BOOK VALUE	
At 31 December 2020	<u>2,087,100</u>
At 31 December 2019	<u>2,087,100</u>

Heritage assets are shown in the accounts at the valuation placed on them by Sotheby's in 2003.

In addition to the assets shown above the trust also owns Picton Castle and its grounds, but no valuation has been placed upon these assets for the purpose of these accounts.

	£
Carrying value at 31 December 2003 - at 2003 valuation	2,324,904
Carrying value at 31 December 2003 - at 1996 valuation	<u>911,694</u>
Net gain on revaluation	<u>1,413,210</u>

14. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2020	1,444,912
Additions	116,493
Disposals	(353,518)
Revaluations	<u>(37,484)</u>
At 31 December 2020	<u>1,170,403</u>
NET BOOK VALUE	
At 31 December 2020	<u>1,170,403</u>
At 31 December 2019	<u>1,444,912</u>

There were no investment assets outside the UK.

15. STOCKS

	2020 £	2019 £
Stocks	<u>13,404</u>	<u>13,504</u>

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Other debtors	9,787	16,287
VAT	48,964	10,301
Prepayments and accrued income	<u>12,886</u>	<u>13,128</u>
	<u>71,637</u>	<u>39,716</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Bank loans and overdrafts (see note 19)	-	11,136
Hire purchase (see note 20)	3,985	4,162
Taxation and social security	3,295	-
Other creditors	<u>138,403</u>	<u>22,840</u>
	<u>145,683</u>	<u>38,138</u>
18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
	£	£
Hire purchase (see note 20)	<u>8,581</u>	<u>12,566</u>
19. LOANS		
An analysis of the maturity of loans is given below:		
	2020	2019
	£	£
Amounts falling due within one year on demand:		
Bank overdrafts	<u>-</u>	<u>11,136</u>
20. LEASING AGREEMENTS		
Minimum lease payments under hire purchase fall due as follows:		
	2020	2019
	£	£
Net obligations repayable:		
Within one year	3,985	4,162
Between one and five years	<u>8,581</u>	<u>12,566</u>
	<u>12,566</u>	<u>16,728</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. MOVEMENT IN FUNDS

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	4,243,722	(105,607)	(118,210)	4,019,905
Restricted funds				
Assets fund	23,660	-	-	23,660
Repair fund	42,903	(161,113)	118,210	-
Memorial Bench fund	-	867	-	867
	<u>66,563</u>	<u>(160,246)</u>	<u>118,210</u>	<u>24,527</u>
TOTAL FUNDS	<u>4,310,285</u>	<u>(265,853)</u>	<u>-</u>	<u>4,044,432</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	378,340	(430,351)	(53,596)	(105,607)
Restricted funds				
Repair fund	483,826	(644,939)	-	(161,113)
Memorial Bench fund	867	-	-	867
	<u>484,693</u>	<u>(644,939)</u>	<u>-</u>	<u>(160,246)</u>
TOTAL FUNDS	<u>863,033</u>	<u>(1,075,290)</u>	<u>(53,596)</u>	<u>(265,853)</u>

Comparatives for movement in funds

	At 1.1.19 £	Net movement in funds £	At 31.12.19 £
Unrestricted funds			
General fund	4,113,997	129,725	4,243,722
Restricted funds			
Assets fund	23,660	-	23,660
Repair fund	<u>1,965</u>	<u>40,938</u>	<u>42,903</u>
	<u>25,625</u>	<u>40,938</u>	<u>66,563</u>
TOTAL FUNDS	<u>4,139,622</u>	<u>170,663</u>	<u>4,310,285</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	400,500	(467,185)	196,410	129,725
Restricted funds				
Repair fund	133,419	(92,481)	-	40,938
TOTAL FUNDS	<u>533,919</u>	<u>(559,666)</u>	<u>196,410</u>	<u>170,663</u>

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

	At 1.1.19 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund	4,113,997	24,118	(118,210)	4,019,905
Restricted funds				
Assets fund	23,660	-	-	23,660
Repair fund	1,965	(120,175)	118,210	-
Memorial Bench fund	-	867	-	867
	<u>25,625</u>	<u>(119,308)</u>	<u>118,210</u>	<u>24,527</u>
TOTAL FUNDS	<u>4,139,622</u>	<u>(95,190)</u>	<u>-</u>	<u>4,044,432</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	778,840	(897,536)	142,814	24,118
Restricted funds				
Repair fund	617,245	(737,420)	-	(120,175)
Memorial Bench fund	867	-	-	867
	<u>618,112</u>	<u>(737,420)</u>	<u>-</u>	<u>(119,308)</u>
TOTAL FUNDS	<u>1,396,952</u>	<u>(1,634,956)</u>	<u>142,814</u>	<u>(95,190)</u>

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2020, for the year ended 31 December 2020.

THE PICTON CASTLE TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	118,063	113,197
Gift aid	25,886	25,120
Grants	<u>506,308</u>	<u>20,878</u>
	650,257	159,195
Other trading activities		
Shop income	16,798	26,945
Investment income		
Rents received	59,842	77,966
Dividends receivable	36,358	43,716
Interest receivable	<u>1,055</u>	<u>1,333</u>
	97,255	123,015
Charitable activities		
Admissions	87,144	205,242
Sale of garden produce	9,724	16,253
Gallery and booklet sales	1,855	3,228
Booking fees	<u>-</u>	<u>41</u>
	<u>98,723</u>	<u>224,764</u>
Total incoming resources	863,033	533,919
EXPENDITURE		
Other trading activities		
Opening stock	9,190	7,909
Purchases	12,306	17,621
Wages	20,680	23,886
Social security	848	898
Pensions	6	6
Stationery and packaging	62	304
Credit card charges and rental	2,415	3,343
Closing stock	<u>(9,371)</u>	<u>(9,190)</u>
	36,136	44,777
Investment management costs		
Stock-brokers' fees	9,017	10,138
Letting agents' fees	336	2,602
Bad debts	<u>373</u>	<u>540</u>
	9,726	13,280

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THE PICTON CASTLE TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Charitable activities		
Wages	199,711	181,210
Social security	8,792	9,388
Pensions	4,471	3,854
Hire of equipment and event expenses	5,988	8,575
Other operating leases	2,413	2,517
Rates and water	1,052	1,321
Insurance	28,669	28,272
Light and heat	10,993	17,602
Advertising	12,050	25,307
Garden expenses	6,733	7,926
Machinery expenses	4,448	3,816
Repairs to property	655,123	115,881
Castle booklets	281	960
Cleaning and maintenance	2,222	3,664
Consultancy fees	19,182	18,039
Donations	576	235
Sub-contractors	18,219	17,553
Training	-	690
Subscriptions and licences	1,125	2,346
Volunteer programme expenses	774	1,641
Depreciation of plant and machinery	6,997	7,730
Depreciation of fixtures and fittings	865	1,396
Bank interest	-	29
Interest on overdue tax	6	-
Hire purchase interest	691	962
	<u>991,381</u>	<u>460,914</u>
Support costs		
Management		
Telephone	4,808	4,542
Postage and stationery	3,060	3,886
Travelling and subsistence	339	464
Accountancy	1,393	1,159
Book-keeping	19,281	21,370
	<u>28,881</u>	<u>31,421</u>
Finance		
Bank charges	2,688	2,700
Credit card charges	2,283	3,136
Paypal fees	92	34
Finance charges	13	79
	<u>5,076</u>	<u>5,949</u>
Governance costs		
Auditors' remuneration	3,425	3,325
Legal and professional fees	665	-
	<u>4,090</u>	<u>3,325</u>
Total resources expended	<u>1,075,290</u>	<u>559,666</u>

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THE PICTON CASTLE TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Net expenditure before gains and losses	(212,257)	(25,747)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(53,596)</u>	<u>196,410</u>
Net (expenditure)/income	<u><u>(265,853)</u></u>	<u><u>170,663</u></u>

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