

REGISTERED CHARITY NUMBER: 519693

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
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 2021**

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THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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

- 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.

The key purposes of the trust are to conserve and protect Picton Castle, its collection and gardens for the benefit of the public, providing access and supporting associated educational activities. The public benefit is met by providing access to the castle and gardens and providing educational support and volunteering opportunities. The trustees have had the benefit of considering the Charity Commission's guidance on public benefit.

Significant activities

The activities undertaken in support of our charitable purposes during 2021 were shaped by the on-going covid restrictions. In Wales indoor and outdoor venues were prohibited from opening from January to March. The re-opening of the site was staggered in the following manner (in compliance with the law):

- 31 March - gardens re-open
- 12 April - gift shop re-opens
- 26 April - café re-opens (outdoors only)
- 17 May - castle and galleries re-open, and café re-opens indoors

There were still restrictions on large scale outdoor events until July which meant that we only hosted small scale events and activities through the summer.

During this period a number of staff were on furlough. Staff were brought back into work in successive waves as the various restrictions were lifted over the course of the year. Successful grant applications for support during covid were made to the Welsh Cultural Recovery Fund, the Economic Resilience Fund, Pembrokeshire County Council and covid support was also received from the Wolfson Foundation. This meant that there were no redundancies due to the pandemic.

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

OBJECTIVES AND ACTIVITIES

Significant activities (continued)

During 2021 further progress was made in promoting the objectives of the trust, in the following manner.

Objectives 1, 2 & 3

The project to restore the walled garden was completed

The restoration of the walled garden was completed, with the certificate of practical completion issued on 26 July 2021. As part of this restoration project a new heritage centre, with a dedicated room for educational and community use was created. A small museum dedicated to exploring the history of the gardens and outdoor interpretation in the gardens was installed in November. The toilet facilities for visitors were refurbished and extended. There was extensive investment in upgrading existing paths and expanding the path network to improve access for less able visitors.

The trust took the decision to invest in staff to ensure the long-term delivery of the charitable objectives and resilience of the organisation. These appointments were assistant head gardener, gardener, assistant director and heritage learning officer, accounts manager, events and marketing co-ordinator, assistant caretaker. To off-set some of these investment costs, four external contractors were terminated. Thus, roles critical to the successful operation of the trust and its charitable purposes were brought directly within the control of the trust.

Objective 4

Education

Heritage and Learning Officer was appointed 1 January 2021. This began a new strategy of engagement with schools. This included outreach with schools, development of education packs linked to educational key stages and providing free access to schools within the local counties of Pembrokeshire, Carmarthenshire and Ceredigion.

Two new horticulture apprenticeships posts were created. These allowed students to train in horticulture at Picton Castle Gardens whilst studying for an RHS level 2 qualification in horticulture through a recognised local college. This provides local employment and educational opportunities. The costs for these posts are partly met by the Welsh Government apprenticeship scheme.

From October 2021 we worked with Career Wales to provide a long-term work-experience placement for a school student who was unable to attend mainstream school and to help develop her work placement skills.

Objective 5

The Picton Library Project - due to ongoing covid restrictions the library project remained on hold. However, re-training was booked to commence in Spring 2022 when it was hoped restrictions would have ended.

Community engagement - A new strategy was developed of working with local community groups to provide Picton Castle Gardens as a location for them to use for their activities. The intention was to enable other groups to use our facilities to enhance what they offer for their constituent groups. For example, Scout and Guide groups, carers groups, Women's Institute, local community groups, art and craft groups.

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Throughout 2021 activities were affected by the covid-19 restrictions in Wales. Never-the-less, the performance of the trust was strong with our highest number of visitors and the successful completion of a major restoration project. The work of the trust was focussed on conserving the heritage of Picton Castle Gardens, improving access opportunities, and establishing the site as an important provider of educational engagement. There was some success in expanding Picton Castle Gardens role as a provider of suitable location for community activities.

Particular achievements for the year include:

- The effective practical completion of the restoration of the walled garden, with the certificate of practical completion issued on 26 July 2021
- Opening of the Heritage Centre and its use as a location for community use as well as a source of revenue in hosting events (such as workshops)
- Installation of interpretation in the walled garden
- Visitor numbers increased to 55,000
- 14 school visits
- Pembrokeshire Scout Annual Jamboree (Sept)
- An innovative, outdoor based Halloween Event

Other successes

New small scale pop-up events compliant with covid restrictions were introduced: such as Head Gardener's tours, Fairy Door Trails and Twilight at Picton open evenings. The Welsh Owl Garden introduced a schedule of daily activities, which proved popular with visitors. A new Christmas experience was established, 'Christmas in the Castle', allowing free flow to the castle was successfully introduced for the first time.

Adverse Impacts

The number of coach group and cruise ship bookings remained low. Large scale events that had been planned for the summer had to be abandoned, such as jousting. The planned winter events had to be restricted in terms of numbers and event planning, to ensure we were compliant with covid-rules. Similarly, the previously successful Magical Family Christmas and the Halloween Ghost Tours in the Castle were cancelled, due to covid restrictions.

Funding

The trust's activities were funded in 2021 by three main sources of income: donations and admissions; commercial activities and grant funding.

Grant funding (both covid related and specifically for the restoration project) were largest element of our 2021 income but it must be noted that these were one-off support and are not part of our annual income plans. Donations and admissions were the largest portion of our regular income and rose significantly in 2021, in-line with the rise in visitor numbers. Other commercial activities, such as gift shop income and holiday rental remain an important and reliable source of income, if highly seasonal.

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

ACHIEVEMENT AND PERFORMANCE

Financial performance

The trust's incoming resources for the year amounted to £1,002,290 (2020 - £863,033) the analysis being shown in the accompanying statement of financial activities. All sources of income showed an increase on the previous year.

The net income was £194,954 (2020 - net expenditure £212,257). The policy to carry investments at market value resulted in gains of £138,780 on investment assets (2020 - losses of £53,596) and so there was a net surplus of £333,734 (2020 - deficit of £265,853) transferred to funds. £92,399 was transferred from general fund to cover the contribution to the walled garden repairs. The balance on the general fund at 31 December 2021 was £4,354,506.

Capital expenditure for the year to 31 December 2021 totalled £9,315, a breakdown of which is shown in the notes to the financial statements.

During the year there was some trading in investments. The investments at 31 December 2021 are shown in the accounts at a market value of £1,331,484 (2020 - £1,170,403).

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.

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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 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

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

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

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 2022 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 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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 2022

THE PICTON CASTLE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	374,331	120,065	494,396	650,257
Charitable activities					
Castle and grounds		281,955	-	281,955	98,723
Other trading activities	3	70,538	-	70,538	16,798
Investment income	4	146,453	-	146,453	97,255
Other income		8,948	-	8,948	-
Total		<u>882,225</u>	<u>120,065</u>	<u>1,002,290</u>	<u>863,033</u>
EXPENDITURE ON					
Raising funds	6	64,097	-	64,097	45,862
Charitable activities					
Castle and grounds	7	<u>529,908</u>	<u>213,331</u>	<u>743,239</u>	<u>1,029,428</u>
Total		<u>594,005</u>	<u>213,331</u>	<u>807,336</u>	<u>1,075,290</u>
Net gains/(losses) on investments		<u>138,780</u>	-	<u>138,780</u>	<u>(53,596)</u>
NET INCOME/(EXPENDITURE)		427,000	(93,266)	333,734	(265,853)
Transfers between funds	21	<u>(92,399)</u>	<u>92,399</u>	-	-
Net movement in funds		334,601	(867)	333,734	(265,853)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>4,019,905</u>	<u>24,527</u>	<u>4,044,432</u>	<u>4,310,285</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>4,354,506</u></u>	<u><u>23,660</u></u>	<u><u>4,378,166</u></u>	<u><u>4,044,432</u></u>

The notes form part of these financial statements

THE PICTON CASTLE TRUST

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	12	627,407	23,660	651,067	650,517
Heritage assets	13	2,087,100	-	2,087,100	2,087,100
Investments	14	<u>1,331,484</u>	<u>-</u>	<u>1,331,484</u>	<u>1,170,403</u>
		4,045,991	23,660	4,069,651	3,908,020
CURRENT ASSETS					
Stocks	15	11,008	-	11,008	13,404
Debtors	16	40,682	-	40,682	71,637
Cash at bank and in hand		<u>319,143</u>	<u>4,720</u>	<u>323,863</u>	<u>205,635</u>
		370,833	4,720	375,553	290,676
CREDITORS					
Amounts falling due within one year	17	(56,959)	(4,720)	(61,679)	(145,683)
		<u>313,874</u>	<u>-</u>	<u>313,874</u>	<u>144,993</u>
NET CURRENT ASSETS					
		<u>313,874</u>	<u>-</u>	<u>313,874</u>	<u>144,993</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		4,359,865	23,660	4,383,525	4,053,013
CREDITORS					
Amounts falling due after more than one year	18	(5,359)	-	(5,359)	(8,581)
		<u>4,354,506</u>	<u>23,660</u>	<u>4,378,166</u>	<u>4,044,432</u>
NET ASSETS					
		<u>4,354,506</u>	<u>23,660</u>	<u>4,378,166</u>	<u>4,044,432</u>
FUNDS					
Unrestricted funds	21			4,354,506	4,019,905
Restricted funds				<u>23,660</u>	<u>24,527</u>
TOTAL FUNDS					
				<u>4,378,166</u>	<u>4,044,432</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 26 October 2022 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 2021**

Notes	2021 £	2020 £
Cash flows from operating activities		
Cash generated from operations 1	149,097	(117,716)
Interest paid	-	(6)
Interest element of hire purchase payments paid	<u>(459)</u>	<u>(691)</u>
Net cash provided by/(used in) operating activities	<u>148,638</u>	<u>(118,413)</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,315)	(1,365)
Purchase of fixed asset investments	(163,620)	(116,493)
Sale of fixed asset investments	141,319	337,406
Interest received	<u>471</u>	<u>1,055</u>
Net cash (used in)/provided by investing activities	<u>(31,145)</u>	<u>220,603</u>
Cash flows from financing activities		
New loans in year	4,720	-
Capital repayments in year	<u>(3,985)</u>	<u>(4,162)</u>
Net cash provided by/(used in) financing activities	<u>735</u>	<u>(4,162)</u>
Change in cash and cash equivalents in the reporting period	118,228	98,028
Cash and cash equivalents at the beginning of the reporting period	<u>205,635</u>	<u>107,607</u>
Cash and cash equivalents at the end of the reporting period	<u>323,863</u>	<u>205,635</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 2021**

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

	2021 £	2020 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	333,734	(265,853)
Adjustments for:		
Depreciation charges	8,765	7,862
(Gain)/losses on investments	(138,780)	53,596
Interest received	(471)	(1,055)
Interest paid	-	6
Interest element of hire purchase and finance lease rental payments	459	691
Decrease in stocks	2,396	100
Decrease/(increase) in debtors	30,955	(31,921)
(Decrease)/increase in creditors	<u>(87,961)</u>	<u>118,858</u>
Net cash provided by/(used in) operations	<u>149,097</u>	<u>(117,716)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank and in hand	<u>205,635</u>	<u>118,228</u>	<u>323,863</u>
	<u>205,635</u>	<u>118,228</u>	<u>323,863</u>
Debt			
Finance leases	(12,566)	3,985	(8,581)
Debts falling due within 1 year	<u>-</u>	<u>(4,720)</u>	<u>(4,720)</u>
	<u>(12,566)</u>	<u>(735)</u>	<u>(13,301)</u>
Total	<u>193,069</u>	<u>117,493</u>	<u>310,562</u>

The notes form part of these financial statements

THE PICTON CASTLE TRUST

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

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 2021****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

	2021	2020
	£	£
Donations	28,651	118,063
Gift aid	21,637	25,886
Grants	<u>444,108</u>	<u>506,308</u>
	<u>494,396</u>	<u>650,257</u>

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

	2021	2020
	£	£
Heritage Lottery Fund	93,453	420,580
Millenium Stadium Charitable Trust	-	2,500
Job Retention Scheme	35,638	55,728
Welsh Government Resilience Fund	313,017	27,500
Coleg Sir Gar	<u>2,000</u>	-
	<u>444,108</u>	<u>506,308</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Shop income	<u>70,538</u>	<u>16,798</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Rents received	114,952	59,842
Dividends receivable	31,030	36,358
Interest receivable	<u>471</u>	<u>1,055</u>
	<u>146,453</u>	<u>97,255</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Admissions	270,549	87,144
Sale of garden produce	4,649	9,724
Gallery and booklet sales	<u>6,757</u>	<u>1,855</u>
	<u>281,955</u>	<u>98,723</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. RAISING FUNDS

Other trading activities

	2021	2020
	£	£
Opening stock	9,371	9,190
Purchases	23,470	12,306
Closing stock	(8,029)	(9,371)
Staff costs	24,927	21,534
Stationery and packaging	354	62
Credit card charges and rental	<u>5,233</u>	<u>2,415</u>
	<u>55,326</u>	<u>36,136</u>

Investment management costs

	2021	2020
	£	£
Stock-brokers' fees	8,745	9,017
Letting agents' fees	50	336
Bad debts	<u>(24)</u>	<u>373</u>
	<u>8,771</u>	<u>9,726</u>

Aggregate amounts	<u>64,097</u>	<u>45,862</u>
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7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Castle and grounds	<u>708,191</u>	<u>35,048</u>	<u>743,239</u>

8. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Castle and grounds	<u>22,550</u>	<u>8,973</u>	<u>3,525</u>	<u>35,048</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****10. STAFF COSTS**

	2021 £	2020 £
Wages and salaries	288,420	220,391
Social security costs	15,646	9,640
Other pension costs	<u>5,871</u>	<u>4,477</u>
	<u>309,937</u>	<u>234,508</u>

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

	2021 <u>19</u>	2020 <u>17</u>
Full time equivalents		

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	165,564	484,693	650,257
Charitable activities			
Castle and grounds	98,723	-	98,723
Other trading activities	16,798	-	16,798
Investment income	<u>97,255</u>	<u>-</u>	<u>97,255</u>
Total	<u>378,340</u>	<u>484,693</u>	<u>863,033</u>
EXPENDITURE ON			
Raising funds	45,862	-	45,862
Charitable activities			
Castle and grounds	<u>384,489</u>	<u>644,939</u>	<u>1,029,428</u>
Total	<u>430,351</u>	<u>644,939</u>	<u>1,075,290</u>
Net gains/(losses) on investments	<u>(53,596)</u>	<u>-</u>	<u>(53,596)</u>
NET INCOME/(EXPENDITURE)	(105,607)	(160,246)	(265,853)
Transfers between funds	<u>(118,210)</u>	<u>118,210</u>	<u>-</u>
Net movement in funds	(223,817)	(42,036)	(265,853)
RECONCILIATION OF FUNDS			
Total funds brought forward	4,243,722	66,563	4,310,285
TOTAL FUNDS CARRIED FORWARD	<u>4,019,905</u>	<u>24,527</u>	<u>4,044,432</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2021	639,786	68,060	65,681	773,527
Additions	<u>-</u>	<u>1,691</u>	<u>7,624</u>	<u>9,315</u>
At 31 December 2021	<u>639,786</u>	<u>69,751</u>	<u>73,305</u>	<u>782,842</u>
DEPRECIATION				
At 1 January 2021	-	61,640	61,370	123,010
Charge for year	<u>-</u>	<u>5,279</u>	<u>3,486</u>	<u>8,765</u>
At 31 December 2021	<u>-</u>	<u>66,919</u>	<u>64,856</u>	<u>131,775</u>
NET BOOK VALUE				
At 31 December 2021	<u>639,786</u>	<u>2,832</u>	<u>8,449</u>	<u>651,067</u>
At 31 December 2020	<u>639,786</u>	<u>6,420</u>	<u>4,311</u>	<u>650,517</u>

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

	Plant and machinery £
COST	
At 1 January 2021	28,695
Transfer to ownership	<u>(4,895)</u>
At 31 December 2021	<u>23,800</u>
DEPRECIATION	
At 1 January 2021	23,936
Charge for year	4,759
Transfer to ownership	<u>(4,895)</u>
At 31 December 2021	<u>23,800</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>4,759</u>

THE PICTON CASTLE TRUST

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

13. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 January 2021 and 31 December 2021	<u>2,087,100</u>
NET BOOK VALUE	
At 31 December 2021	<u>2,087,100</u>
At 31 December 2020	<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 2021	1,170,403
Additions	163,620
Disposals	(130,118)
Revaluations	<u>127,579</u>
At 31 December 2021	<u>1,331,484</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,331,484</u>
At 31 December 2020	<u>1,170,403</u>

There were no investment assets outside the UK.

15. STOCKS

	2021 £	2020 £
Stocks	<u>11,008</u>	<u>13,404</u>

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Other debtors	17,449	9,787
VAT	15,578	48,964
Prepayments and accrued income	<u>7,655</u>	<u>12,886</u>
	<u>40,682</u>	<u>71,637</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
	£	£
Hire purchase (see note 20)	3,222	3,985
Taxation and social security	5,899	3,295
Other creditors	<u>52,558</u>	<u>138,403</u>
	<u>61,679</u>	<u>145,683</u>
18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021	2020
	£	£
Hire purchase (see note 20)	<u>5,359</u>	<u>8,581</u>
19. LOANS		
An analysis of the maturity of loans is given below:		
	2021	2020
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>4,720</u>	<u>-</u>
20. LEASING AGREEMENTS		
Minimum lease payments under hire purchase fall due as follows:		
	2021	2020
	£	£
Net obligations repayable:		
Within one year	3,222	3,985
Between one and five years	<u>5,359</u>	<u>8,581</u>
	<u>8,581</u>	<u>12,566</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. MOVEMENT IN FUNDS

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	4,019,905	427,000	(92,399)	4,354,506
Restricted funds				
Assets fund	23,660	-	-	23,660
Repair fund	-	(92,399)	92,399	-
Memorial Bench fund	867	(867)	-	-
	<u>24,527</u>	<u>(93,266)</u>	<u>92,399</u>	<u>23,660</u>
TOTAL FUNDS	<u>4,044,432</u>	<u>333,734</u>	<u>-</u>	<u>4,378,166</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	882,225	(594,005)	138,780	427,000
Restricted funds				
Repair fund	120,065	(212,464)	-	(92,399)
Memorial Bench fund	-	(867)	-	(867)
	<u>120,065</u>	<u>(213,331)</u>	<u>-</u>	<u>(93,266)</u>
TOTAL FUNDS	<u>1,002,290</u>	<u>(807,336)</u>	<u>138,780</u>	<u>333,734</u>

Comparatives for 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>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	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>

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

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.21 £
Unrestricted funds				
General fund	4,243,722	321,393	(210,609)	4,354,506
Restricted funds				
Assets fund	23,660	-	-	23,660
Repair fund	42,903	(253,512)	210,609	-
	<u>66,563</u>	<u>(253,512)</u>	<u>210,609</u>	<u>23,660</u>
TOTAL FUNDS	<u>4,310,285</u>	<u>67,881</u>	<u>-</u>	<u>4,378,166</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	1,260,565	(1,024,356)	85,184	321,393
Restricted funds				
Repair fund	603,891	(857,403)	-	(253,512)
Memorial Bench fund	867	(867)	-	-
	<u>604,758</u>	<u>(858,270)</u>	<u>-</u>	<u>(253,512)</u>
TOTAL FUNDS	<u>1,865,323</u>	<u>(1,882,626)</u>	<u>85,184</u>	<u>67,881</u>

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021.

THE PICTON CASTLE TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	28,651	118,063
Gift aid	21,637	25,886
Grants	<u>444,108</u>	<u>506,308</u>
	494,396	650,257
Other trading activities		
Shop income	70,538	16,798
Investment income		
Rents received	114,952	59,842
Dividends receivable	31,030	36,358
Interest receivable	<u>471</u>	<u>1,055</u>
	146,453	97,255
Charitable activities		
Admissions	270,549	87,144
Sale of garden produce	4,649	9,724
Gallery and booklet sales	<u>6,757</u>	<u>1,855</u>
	281,955	98,723
Other income		
Insurance claims	<u>8,948</u>	-
Total incoming resources	1,002,290	863,033
EXPENDITURE		
Other trading activities		
Opening stock	9,371	9,190
Purchases	23,470	12,306
Wages	23,737	20,680
Social security	1,166	848
Pensions	24	6
Stationery and packaging	354	62
Credit card charges and rental	5,233	2,415
Closing stock	<u>(8,029)</u>	<u>(9,371)</u>
	55,326	36,136
Investment management costs		
Stock-brokers' fees	8,745	9,017
Letting agents' fees	50	336
Bad debts	<u>(24)</u>	<u>373</u>
	8,771	9,726

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THE PICTON CASTLE TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Investment management costs		
Charitable activities		
Wages	264,683	199,711
Social security	14,480	8,792
Pensions	5,847	4,471
Hire of equipment and event expenses	7,913	5,988
Other operating leases	4,636	2,413
Rates and water	3,075	1,052
Insurance	27,739	28,669
Light and heat	20,499	10,993
Advertising	15,315	12,050
Garden expenses	19,784	6,733
Machinery expenses	4,398	4,448
Repairs to property	257,138	655,123
Castle booklets	1,055	281
Cleaning and maintenance	5,723	2,222
Consultancy fees	25,803	19,182
Donations	5,867	576
Sub-contractors	11,314	18,219
Training	555	-
Recruitment costs	106	-
Subscriptions and licences	1,577	1,125
Volunteer programme expenses	1,460	774
Depreciation of plant and machinery	5,279	6,997
Depreciation of fixtures and fittings	3,486	865
Interest on overdue tax	-	6
Hire purchase interest	459	691
	<u>708,191</u>	<u>991,381</u>
Support costs		
Management		
Telephone	3,868	4,808
Postage and stationery	4,308	3,060
Travelling and subsistence	944	339
Accountancy	1,950	1,393
Book-keeping	11,480	19,281
	<u>22,550</u>	<u>28,881</u>
Finance		
Bank charges	3,031	2,688
Credit card charges	4,909	2,283
Paypal fees	673	92
Finance charges	360	13
	<u>8,973</u>	<u>5,076</u>
Governance costs		
Auditors' remuneration	3,525	3,425
Legal and professional fees	-	665
	<u>3,525</u>	<u>4,090</u>
Total resources expended	<u>807,336</u>	<u>1,075,290</u>

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THE PICTON CASTLE TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Net income/(expenditure) before gains and losses	194,954	(212,257)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>138,780</u>	<u>(53,596)</u>
Net income/(expenditure)	<u><u>333,734</u></u>	<u><u>(265,853)</u></u>

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