

REGISTERED CHARITY NUMBER: 519693

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
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 2022**

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THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their report with the financial statements of the charity for the year ended 31 December 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The 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.

Purposes of the charity as set out in its Trust Deed are:

- 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.

Significant activities

During 2022 the Board of Trustees began a wide-ranging review of activities including two strategic development days. Strategic importance was placed on expanding schools engagement and capital investment in the conservation of the castle and the collection. Both received significant financial support from the Trust in 2022.

During 2022 progress was made in promoting the objectives of the trust, in the following manner.

Objective 1

The trust secured an extension to the National Heritage Lottery Fund (NHLF) grant award for the activities element of the award. The programme of capital works was completed in 2021 but the associated activities (with schools and communities) was unable to commence on time due to the covid-19 pandemic. These began in earnest in 2022. A NHLF review of the works in Sept 2022 was highly successful and the quality of the work was praised by the assessors.

The preservation of the castle and collection was furthered by a significant investment in capital projects for the castle and associated listed buildings in the care of the trust (roofing, windows and wall repairs). Planning for future conservation work on the castle was commenced with professional advice engaged on the structural condition of the castle and associated buildings (a quinquennial report).

In October, the trust secured a £10,000 grant for an archaeological survey to be undertaken on the medieval structure of the castle. This work is due to be carried out in 2023.

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

OBJECTIVES AND ACTIVITIES

Significant activities (continued)

Objective 2

In May 2022 the trust hosted a formal opening to celebrate the completion of the main restoration works on the walled garden. This was delayed from 2021 due to the covid pandemic. Invitees included a wide range of community groups and representatives to showcase and encourage access to the heritage within the Trust's care.

A range of important capital investments were made to amenities for the public benefit including, in re-surfacing a public access road, fencing and other for public safety measures and amenities. Planning permission was successfully secured for upgrading and expanding the lavatory facilities which is required to secure ongoing appropriate amenities for our significantly increased visitor numbers.

Objective 3

In March 2022, the trust arranged for 20 volunteers to participate in formal training in cataloguing and conserving antique books with a professional conservator. This enabled the volunteers to begin the cataloguing and restoration of the library collection. This is an ongoing long-term project. Other individual chattels have been restored during the year, including a 200-year-old chandelier.

Objective 4

A new Heritage and Learning Officer was appointed 30 January 2022. Deepening our engagement with schools is critical part of the trust's strategy for development. This role has developed a programme of educational activities that intersect with the new Welsh curriculum, providing educational opportunities directly related to our heritage but cover topics that are challenging to deliver within the school context. This includes a bi-weekly programme with a local secondary school, that develops free access to schools within the local counties of Pembrokeshire, Carmarthenshire and Ceredigion. This has been a successful programme. Prior to its introduction we had no recorded school visits, and 460 pupils visit in 2022.

The trust further supported the educational aspects of its charitable objectives by establishing a programme of public tours and talks on different aspects of the history of the site and its collection. These began in March 2022 and are now an annual programme stretching over the autumn and winter.

Objective 5

A continuation of the strategy of working with local community groups for Picton Castle Gardens to be used as a location for community activities. The activities have included art and photography classes and gardening groups. We have also hosted art and sculpture exhibitions for local community groups, local schools and a tertiary level college.

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The work of the trust continued to be focussed on conserving the heritage of Picton Castle Gardens, improving access and establishing the site as an important provider of educational opportunities. We only narrowly missed our target number of 55,000 visitors, despite the lifting of restrictions on international travel having an adverse impact on holidays numbers in the region generally.

Particular achievements for the year include:

- The formal opening of the Walled Garden and courtyard garden after its restoration.
- The development of the schools and education programme, increasing visits by 84% in the first full year.
- The commencement of the library books restoration project.
- Maintaining visitor numbers (54,124).
- Commencing an autumn/winter programme of public talks and events on different aspects of the heritage and collection.
- Highly successful events for Easter, Halloween and Christmas Market
- There was further development in developing Picton Castle Gardens as a facilitator and location for community activities.

Funding

The trust's activities were funded in 2022 by three main sources of income: admissions and donations; commercial activities and grant funding. Admissions and admissions were the largest portion of our income. Admission price rises meant that this source of income was maintained despite a small decrease in visitor numbers.

There was a significant drop in grant funding from the previous year with the end of the governments covid support funding grants. However, the trust did have continued support from the NHLF for outstanding costs from with the capital works and the agreed programme of activities. There was also additional government grant support for the apprenticeships and small grants to support specific projects. The final Covid Economic Resilience Fund Grant was received.

Other commercial activities, such as gift shop income and holiday rental remain an important and reliable source of income, if highly seasonal. There was a drop in this income on the previous year. Although there is some uncertainty about the cause, the cost of living pressures in 2022 might have had an adverse impact on visitors secondary spend.

Adverse Impacts

There were continuing adverse impacts caused by the covid-19 pandemic in that the number of coach group and cruise ship bookings remained lower than pre-pandemic levels (although they had improved on 2021 figures). No large-scale events were organised for summer 2022 due to the uncertainties prevalent in autumn/ winter 2021/2 when planning would normally begin. There were significant and unexpected increases in two key areas of expenditure: insurance and marketing costs. This appears to be in line with the experiences of other similar sites.

Financial performance

The trust's incoming resources for the year amounted to £607,056 (2021 - £1,002,290) the analysis being shown in the accompanying statement of financial activities. The fall in the year was mainly due to reduced grant income.

The net expenditure was £149,210 (2021 - net income £194,954). The policy to carry investments at market value resulted in losses of £143,208 on investment assets (2021 - gains of £138,780) and so there was a net deficit of £292,418 (2021 - surplus of £333,734) transferred to funds. £1,684 was transferred from general fund to cover the contribution to the walled garden repairs. The balance on the general fund at 31 December 2022 was £4,060,768.

Capital expenditure for the year to 31 December 2022 totalled £1,888, 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 2022 are shown in the accounts at a market value of £1,144,963 (2021 - £1,331,484).

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

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

Mr D Ellis
Miss N J Philipps
Mr T Arthur
Mr C W M Carter
Ms C M Shand
Mr C L Atherton

Auditors

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

Bankers

National Westminster
High Street
Haverfordwest
Pembrokeshire

THE PICTON CASTLE TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

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 27 October 2023 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 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 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.

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

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.

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.

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

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.

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.

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

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: 27 October 2023

THE PICTON CASTLE TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	51,733	62,893	114,626	494,396
Charitable activities					
Castle and grounds	5	278,729	-	278,729	281,955
Other trading activities	3	58,871	-	58,871	70,538
Investment income	4	143,115	-	143,115	146,453
Other income		<u>11,715</u>	<u>-</u>	<u>11,715</u>	<u>8,948</u>
Total		<u>544,163</u>	<u>62,893</u>	<u>607,056</u>	<u>1,002,290</u>
EXPENDITURE ON					
Raising funds	6	80,882	-	80,882	64,097
Charitable activities					
Castle and grounds	7	<u>612,127</u>	<u>63,257</u>	<u>675,384</u>	<u>743,239</u>
Total		<u>693,009</u>	<u>63,257</u>	<u>756,266</u>	<u>807,336</u>
Net gains/(losses) on investments		<u>(143,208)</u>	<u>-</u>	<u>(143,208)</u>	<u>138,780</u>
NET INCOME/(EXPENDITURE)		(292,054)	(364)	(292,418)	333,734
Transfers between funds	21	<u>(1,684)</u>	<u>1,684</u>	<u>-</u>	<u>-</u>
Net movement in funds		(293,738)	1,320	(292,418)	333,734
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>4,354,506</u>	<u>23,660</u>	<u>4,378,166</u>	<u>4,044,432</u>
TOTAL FUNDS CARRIED FORWARD		<u>4,060,768</u>	<u>24,980</u>	<u>4,085,748</u>	<u>4,378,166</u>

The notes form part of these financial statements

THE PICTON CASTLE TRUST**BALANCE SHEET
31 DECEMBER 2022**

	Notes	Unrestricted fund £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	12	625,878	23,660	649,538	651,067
Heritage assets	13	2,087,230	-	2,087,230	2,087,100
Investments	14	<u>1,144,963</u>	<u>-</u>	<u>1,144,963</u>	<u>1,331,484</u>
		3,858,071	23,660	3,881,731	4,069,651
CURRENT ASSETS					
Stocks	15	9,271	-	9,271	11,008
Debtors	16	58,477	-	58,477	40,682
Cash at bank and in hand		<u>194,391</u>	<u>6,039</u>	<u>200,430</u>	<u>323,863</u>
		262,139	6,039	268,178	375,553
CREDITORS					
Amounts falling due within one year	17	(57,431)	(4,719)	(62,150)	(61,679)
		<u>204,708</u>	<u>1,320</u>	<u>206,028</u>	<u>313,874</u>
NET CURRENT ASSETS					
		<u>204,708</u>	<u>1,320</u>	<u>206,028</u>	<u>313,874</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		4,062,779	24,980	4,087,759	4,383,525
CREDITORS					
Amounts falling due after more than one year	18	(2,011)	-	(2,011)	(5,359)
		<u>4,060,768</u>	<u>24,980</u>	<u>4,085,748</u>	<u>4,378,166</u>
NET ASSETS					
		<u>4,060,768</u>	<u>24,980</u>	<u>4,085,748</u>	<u>4,378,166</u>
FUNDS					
Unrestricted funds	21			4,060,768	4,354,506
Restricted funds				<u>24,980</u>	<u>23,660</u>
TOTAL FUNDS					
				<u>4,085,748</u>	<u>4,378,166</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 27 October 2023 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 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(161,816)	149,097
Interest paid		(169)	-
Interest element of hire purchase payments paid		<u>(268)</u>	<u>(459)</u>
Net cash (used in)/provided by operating activities		<u>(162,253)</u>	<u>148,638</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,758)	(9,315)
Purchase of heritage assets		(130)	-
Purchase of fixed asset investments		(276,492)	(163,620)
Sale of fixed asset investments		319,805	141,319
Interest received		<u>617</u>	<u>471</u>
Net cash provided by/(used in) investing activities		<u>42,042</u>	<u>(31,145)</u>
Cash flows from financing activities			
New loans in year		-	4,720
Capital repayments in year		<u>(3,222)</u>	<u>(3,985)</u>
Net cash (used in)/provided by financing activities		<u>(3,222)</u>	<u>735</u>
Change in cash and cash equivalents in the reporting period		(123,433)	118,228
Cash and cash equivalents at the beginning of the reporting period		<u>323,863</u>	<u>205,635</u>
Cash and cash equivalents at the end of the reporting period		<u>200,430</u>	<u>323,863</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 2022**

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

	2022 £	2021 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(292,418)	333,734
Adjustments for:		
Depreciation charges	3,287	8,765
Losses/(gain) on investments	143,208	(138,780)
Interest received	(617)	(471)
Interest paid	169	-
Interest element of hire purchase and finance lease rental payments	268	459
Decrease in stocks	1,737	2,396
(Increase)/decrease in debtors	(17,795)	30,955
Increase/(decrease) in creditors	<u>345</u>	<u>(87,961)</u>
Net cash (used in)/provided by operations	<u>(161,816)</u>	<u>149,097</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank and in hand	<u>323,863</u>	<u>(123,433)</u>	<u>200,430</u>
	<u>323,863</u>	<u>(123,433)</u>	<u>200,430</u>
Debt			
Finance leases	(8,581)	3,222	(5,359)
Debts falling due within 1 year	<u>(4,720)</u>	<u>-</u>	<u>(4,720)</u>
	<u>(13,301)</u>	<u>3,222</u>	<u>(10,079)</u>
Total	<u>310,562</u>	<u>(120,211)</u>	<u>190,351</u>

The notes form part of these financial statements

THE PICTON CASTLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022****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

	2022	2021
	£	£
Donations	1,398	28,651
Gift aid	37,392	21,637
Grants	<u>75,836</u>	<u>444,108</u>
	<u>114,626</u>	<u>494,396</u>

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

	2022	2021
	£	£
Pembrokeshire County Council	4,000	-
Pembrokeshire Association of Voluntary Services	4,570	-
Heritage Lottery Fund	58,266	93,453
Job Retention Scheme	-	35,638
Welsh Government Resilience Fund	7,000	313,017
Coleg Sir Gar	<u>2,000</u>	<u>2,000</u>
	<u>75,836</u>	<u>444,108</u>

3. OTHER TRADING ACTIVITIES

	2022	2021
	£	£
Shop income	<u>58,871</u>	<u>70,538</u>

4. INVESTMENT INCOME

	2022	2021
	£	£
Rents received	113,641	114,952
Dividends receivable	28,857	31,030
Interest receivable	<u>617</u>	<u>471</u>
	<u>143,115</u>	<u>146,453</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2022	2021
	£	£
Admissions	263,754	270,549
Sale of garden produce	8,303	4,649
Gallery and booklet sales	<u>6,672</u>	<u>6,757</u>
	<u>278,729</u>	<u>281,955</u>

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****6. RAISING FUNDS****Other trading activities**

	2022	2021
	£	£
Opening stock	8,029	9,371
Purchases	36,054	23,470
Closing stock	(7,374)	(8,029)
Staff costs	28,736	24,927
Stationery and packaging	373	354
Credit card charges and rental	6,074	5,233
	<u>71,892</u>	<u>55,326</u>

Investment management costs

	2022	2021
	£	£
Stock-brokers' fees	8,989	8,745
Letting agents' fees	-	50
Bad debts	1	(24)
	<u>8,990</u>	<u>8,771</u>
Aggregate amounts	<u>80,882</u>	<u>64,097</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Castle and grounds	<u>653,047</u>	<u>22,337</u>	<u>675,384</u>

8. SUPPORT COSTS

	Management	Finance	Governance costs	Totals
	£	£	£	£
Castle and grounds	<u>9,259</u>	<u>9,428</u>	<u>3,650</u>	<u>22,337</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 December 2022 nor for the year ended 31 December 2021.

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. STAFF COSTS

	2022 £	2021 £
Wages and salaries	389,512	288,420
Social security costs	23,804	15,646
Other pension costs	<u>7,900</u>	<u>5,871</u>
	<u>421,216</u>	<u>309,937</u>

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

	2022	2021
Full time equivalents	<u>24</u>	<u>19</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	374,331	120,065	494,396
Charitable activities			
Castle and grounds	281,955	-	281,955
Other trading activities	70,538	-	70,538
Investment income	146,453	-	146,453
Other income	<u>8,948</u>	<u>-</u>	<u>8,948</u>
Total	<u>882,225</u>	<u>120,065</u>	<u>1,002,290</u>
EXPENDITURE ON			
Raising funds	64,097	-	64,097
Charitable activities			
Castle and grounds	<u>529,908</u>	<u>213,331</u>	<u>743,239</u>
Total	<u>594,005</u>	<u>213,331</u>	<u>807,336</u>
Net gains on investments	<u>138,780</u>	<u>-</u>	<u>138,780</u>
NET INCOME/(EXPENDITURE)	427,000	(93,266)	333,734
Transfers between funds	<u>(92,399)</u>	<u>92,399</u>	<u>-</u>
Net movement in funds	334,601	(867)	333,734
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,019,905</u>	<u>24,527</u>	<u>4,044,432</u>
TOTAL FUNDS CARRIED FORWARD	<u>4,354,506</u>	<u>23,660</u>	<u>4,378,166</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2022	639,786	69,751	73,305	782,842
Additions	<u>-</u>	<u>308</u>	<u>1,450</u>	<u>1,758</u>
At 31 December 2022	<u>639,786</u>	<u>70,059</u>	<u>74,755</u>	<u>784,600</u>
DEPRECIATION				
At 1 January 2022	-	66,919	64,856	131,775
Charge for year	<u>-</u>	<u>581</u>	<u>2,706</u>	<u>3,287</u>
At 31 December 2022	<u>-</u>	<u>67,500</u>	<u>67,562</u>	<u>135,062</u>
NET BOOK VALUE				
At 31 December 2022	<u>639,786</u>	<u>2,559</u>	<u>7,193</u>	<u>649,538</u>
At 31 December 2021	<u>639,786</u>	<u>2,832</u>	<u>8,449</u>	<u>651,067</u>

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

	Plant and machinery £
COST	
At 1 January 2022 and 31 December 2022	<u>23,800</u>
DEPRECIATION	
At 1 January 2022 and 31 December 2022	<u>23,800</u>
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****13. HERITAGE ASSETS**

	Total £
MARKET VALUE	
At 1 January 2022	2,087,100
Additions	<u>130</u>
At 31 December 2022	<u>2,087,230</u>
NET BOOK VALUE	
At 31 December 2022	<u>2,087,230</u>
At 31 December 2021	<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 2022	1,331,484
Additions	276,492
Disposals	(355,964)
Revaluations	<u>(107,049)</u>
At 31 December 2022	<u>1,144,963</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,144,963</u>
At 31 December 2021	<u>1,331,484</u>

There were no investment assets outside the UK.

15. STOCKS

	2022 £	2021 £
Stocks	<u>9,271</u>	<u>11,008</u>

THE PICTON CASTLE TRUST**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£	£
Other debtors	2,653	17,449
VAT	7,790	15,578
Prepayments and accrued income	<u>48,034</u>	<u>7,655</u>
	<u>58,477</u>	<u>40,682</u>
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£	£
Hire purchase (see note 20)	3,348	3,222
Taxation and social security	6,535	5,899
Other creditors	<u>52,267</u>	<u>52,558</u>
	<u>62,150</u>	<u>61,679</u>
18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2022	2021
	£	£
Hire purchase (see note 20)	<u>2,011</u>	<u>5,359</u>
19. LOANS		
An analysis of the maturity of loans is given below:		
	2022	2021
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>4,720</u>	<u>4,720</u>
20. LEASING AGREEMENTS		
Minimum lease payments under hire purchase fall due as follows:		
	2022	2021
	£	£
Net obligations repayable:		
Within one year	3,348	3,222
Between one and five years	<u>2,011</u>	<u>5,359</u>
	<u>5,359</u>	<u>8,581</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. MOVEMENT IN FUNDS

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	4,354,506	(292,054)	(1,684)	4,060,768
Restricted funds				
Assets fund	23,660	-	-	23,660
Repair fund	-	(364)	1,684	1,320
	<u>23,660</u>	<u>(364)</u>	<u>1,684</u>	<u>24,980</u>
TOTAL FUNDS	<u>4,378,166</u>	<u>(292,418)</u>	<u>-</u>	<u>4,085,748</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	544,163	(693,009)	(143,208)	(292,054)
Restricted funds				
Repair fund	62,337	(62,701)	-	(364)
Memorial Bench fund	556	(556)	-	-
	<u>62,893</u>	<u>(63,257)</u>	<u>-</u>	<u>(364)</u>
TOTAL FUNDS	<u>607,056</u>	<u>(756,266)</u>	<u>(143,208)</u>	<u>(292,418)</u>

Comparatives for 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>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

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	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>

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

	At 1.1.21 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	4,019,905	134,946	(94,083)	4,060,768
Restricted funds				
Assets fund	23,660	-	-	23,660
Repair fund	-	(92,763)	94,083	1,320
Memorial Bench fund	<u>867</u>	<u>(867)</u>	<u>-</u>	<u>-</u>
	<u>24,527</u>	<u>(93,630)</u>	<u>94,083</u>	<u>24,980</u>
TOTAL FUNDS	<u>4,044,432</u>	<u>41,316</u>	<u>-</u>	<u>4,085,748</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	1,426,388	(1,287,014)	(4,428)	134,946
Restricted funds				
Repair fund	182,402	(275,165)	-	(92,763)
Memorial Bench fund	<u>556</u>	<u>(1,423)</u>	<u>-</u>	<u>(867)</u>
	<u>182,958</u>	<u>(276,588)</u>	<u>-</u>	<u>(93,630)</u>
TOTAL FUNDS	<u>1,609,346</u>	<u>(1,563,602)</u>	<u>(4,428)</u>	<u>41,316</u>

THE PICTON CASTLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2022.

THE PICTON CASTLE TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	1,398	28,651
Gift aid	37,392	21,637
Grants	<u>75,836</u>	<u>444,108</u>
	114,626	494,396
Other trading activities		
Shop income	58,871	70,538
Investment income		
Rents received	113,641	114,952
Dividends receivable	28,857	31,030
Interest receivable	<u>617</u>	<u>471</u>
	143,115	146,453
Charitable activities		
Admissions	263,754	270,549
Sale of garden produce	8,303	4,649
Gallery and booklet sales	<u>6,672</u>	<u>6,757</u>
	278,729	281,955
Other income		
Insurance claims	<u>11,715</u>	<u>8,948</u>
Total incoming resources	607,056	1,002,290
EXPENDITURE		
Other trading activities		
Opening stock	8,029	9,371
Purchases	36,054	23,470
Wages	27,310	23,737
Social security	1,373	1,166
Pensions	53	24
Stationery and packaging	373	354
Credit card charges and rental	6,074	5,233
Closing stock	<u>(7,374)</u>	<u>(8,029)</u>
	71,892	55,326
Investment management costs		
Stock-brokers' fees	8,989	8,745
Letting agents' fees	-	50
Bad debts	<u>1</u>	<u>(24)</u>
	8,990	8,771

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THE PICTON CASTLE TRUST**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£	£
Investment management costs		
Charitable activities		
Wages	362,202	264,683
Social security	22,431	14,480
Pensions	7,847	5,847
Hire of equipment and event expenses	8,286	7,913
Other operating leases	3,527	4,636
Rates and water	1,472	3,075
Insurance	37,195	27,739
Light and heat	19,932	20,499
Advertising	24,671	15,315
Garden expenses	5,558	19,784
Machinery expenses	5,899	4,398
Repairs to property	103,008	257,138
Castle booklets	1,081	1,055
Cleaning and maintenance	6,519	5,723
Consultancy fees	12,773	25,803
Donations	600	5,867
Sub-contractors	20,017	11,314
Training	625	555
Recruitment costs	71	106
Subscriptions and licences	1,640	1,577
Volunteer programme expenses	2,955	1,460
IT and software support	1,014	-
Depreciation of plant and machinery	581	5,279
Depreciation of fixtures and fittings	2,706	3,486
Bank interest	46	-
Bank loan interest	123	-
Hire purchase interest	268	459
	<u>653,047</u>	<u>708,191</u>
Support costs		
Management		
Telephone	2,917	3,868
Postage and stationery	4,126	4,308
Travelling and subsistence	1,076	944
Accountancy	1,140	1,950
Book-keeping	-	11,480
	<u>9,259</u>	<u>22,550</u>
Finance		
Bank charges	3,660	3,031
Credit card charges	5,227	4,909
Paypal fees	408	673
Finance charges	133	360
	<u>9,428</u>	<u>8,973</u>
Governance costs		
Auditors' remuneration	<u>3,650</u>	<u>3,525</u>
Total resources expended	<u>756,266</u>	<u>807,336</u>

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THE PICTON CASTLE TRUST

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Net (expenditure)/income before gains and losses	(149,210)	194,954
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>(143,208)</u>	<u>138,780</u>
Net (expenditure)/income	<u><u>(292,418)</u></u>	<u><u>333,734</u></u>

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