

Charity Registration No. 1111049

Company Registration No. 05433717

HISTORIC HOUSES FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023



HISTORIC HOUSES FOUNDATION

Contents

Legal and administrative information	1
Trustees' report	2 – 6
Statement of Trustees' responsibilities	7
Independent Auditor's report	8 – 9
Statement of financial activities (including summary income and expenditure account)	10
Balance sheet	11
Cash flow statement	12
Notes to the accounts	13 – 23

HISTORIC HOUSES FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Norman Hudson OBE (Chairman) Nicholas Barber CBE Richard Compton Sir Andrew Jardine Bt. Mary King Amicia De Moubray (appointed 17/5/23) Jeremy Musson Sir John Parsons KCVO Oliver Pearcey Matthew Rice
Secretary	David Price
Charity number	1111049
Company number	05433717
Principal address	Sheephouse Farm Uley Road Dursley Gloucestershire GL11 5AD
Registered office	Sheephouse Farm Uley Road Dursley Gloucestershire GL11 5AD
Independent Auditors	Randall and Payne LLP Chargrove House Shurdington Road Cheltenham Gloucestershire GL51 4GA
Bankers	Barclays Bank plc 99 Hatton Garden London EC1N 8DN
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Investment Managers	Cazenove Capital 1 London Wall Place London EC2Y 5AU

HISTORIC HOUSES FOUNDATION TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The Trustees, who are also directors of the Charity for the purposes of the Companies Act, present their report and accounts for the year ended 30 June 2023.

The accounts have been prepared in accordance with the accounting policies set out and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and 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 (FRS102) (effective 1 January 2015).

The objects of Historic Houses Foundation are:

- a) to advance the preservation, for the public benefit, of buildings of sufficient historic or architectural significance or importance to merit preservation together with their gardens and grounds; and
- b) to protect and augment the amenities and furnishings of any such buildings, gardens and grounds.

Structure, governance and management

Historic Houses Foundation is a registered Charity (registration number 1111049) and is constituted as a company limited by guarantee (registration number 05433717). Its governing document is its Memorandum and Articles of Association incorporated 22 April 2005 (as amended by Special Resolutions dated 21 August 2005 and 20 February 2019) as amended on 23 April 2019, and its objects and powers are set out therein. Members of the company are admitted at the discretion of the Trustees and may be required to contribute not more than £10 in the event of the charitable company being wound up.

During the accounting period, the Charity employed one member of staff.

The Trustees, who are also the directors for the purpose of company law and who served during the year were:

Norman Hudson OBE (Chairman)
Nicholas Barber CBE
Richard Compton
Sir Andrew Jardine Bt.
Mary King
Amicia De Moubray (appointed 17/5/23)
Jeremy Musson
Sir John Parsons KCVO
Oliver Pearcey
Matthew Rice

Trustees can be nominated to the Board as set out in the Articles of Association. The number of Trustees shall not be fewer than five, but (unless otherwise determined by Ordinary Resolution) shall not be subject to any maximum. The Board of Trustees seeks to ensure that representation on the Board is wide-ranging. The Trustees bring a mix of skills to the Board, providing heritage, conservation, financial and corporate experience. Training and induction of new Trustees is undertaken on an informal and continual basis through discussions with existing Trustees, attendance at board meetings and site visits. The Trustees meet quarterly for board meetings and at least two of the Trustees carry out site visits prior to a grant being made and following completion of a project.

The Trustees receive no remuneration but may be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties.

Risk management

The potential risks facing the Charity have been assessed by the Board of Trustees. Two of particular importance have been identified. The first, the loss of the sole administrator at short notice, has been mitigated by the creation of a detailed procedures manual and other documentation. These procedures include the monitoring of IT security.

HISTORIC HOUSES FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2023

Risk management (continued)

The second is the risk that investments do not generate the expected returns. In this event the Trustees would reduce the amount of grants in subsequent years and/or draw on capital. In addition, a cash reserve is held by the investment managers in order to avoid the need to sell investments in the portfolio at short notice.

Public benefit

The Trustees have applied the guidance from The Charity Commission relating to public benefit when assessing grant applications. Public benefit is inherent in the objects of the Charity as set out above and, when considering a project's eligibility for support, Trustees require that public access arrangements would be closely aligned to those specified for recipients of an Historic England grant.

Achievements and performance

Since the Charity started making grants in February 2006, the number of applications for funding has steadily increased. At the end of the financial year the Charity had supported 321 projects with grant offers totalling £17.058 million.

	No. of projects approved in year	Total granted £	Average grant £	Paid at 30/6/23 £	Balance Due £
General Fund Grants					
2006-07	4	605,000	151,250	605,000	-
2007-08	11	814,990	74,090	814,990	-
2008-09	12	841,263	70,105	841,263	-
2009-10	17	633,509	37,265	633,509	-
2010-11	16	938,003	58,625	938,003	-
2011-12	13	565,376	43,490	565,376	-
2012-13	20	978,640	48,932	978,640	-
2013-14	24	1,342,597	55,942	1,337,868	4,729
2014-15	16	737,245	46,078	697,745	39,500
2015-16	19	788,628	41,507	775,189	13,439
2016-17	21	524,399	24,971	515,399	9,000
2017-18	18	568,497	31,583	443,497	125,000
2018-19	26	797,701	30,681	693,701	104,000
2019-20	16	513,540	32,096	381,940	131,600
2020-21	20	465,637	23,282	426,337	39,300
2021-22	9	396,000	44,000	180,000	216,000
2022-23	13	424,800	32,677	79,000	345,800
	275	11,935,825		10,907,457	1,028,368
Restricted Fund Grants					
Heritage Conservation Trust					
2019-20	9	42,573	4,730	28,017	14,556
2020-21	4	21,368	5,342	21,368	-
2021/22	2	8,896	4,448	8,896	-
	15	72,837		58,281	14,556
Heritage Stimulus Fund					
2020-21	18	2,818,500	156,583	2,818,500	-
2021-22	13	2,230,992	171,615	2,230,992	-
	31	5,049,492		5,049,492	-
Total grants 2006 - 2023	321	17,058,154		16,015,230	1,042,924

HISTORIC HOUSES FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2023

Grants awarded during the year

During the year Trustees considered 70 requests for support (59 in 2021/22) and offered grants totaling £424,800 to 13 applicants (£2.635 million to 24 applicants in 2021/22) supporting the following projects:

High level repairs to **Beckford's Tower**.

Roof repairs to the Great Hall and West Wing of **Middleton Hall**.

Repair of the Guildhall roof and dormer windows at **Alton Castle**.

Support of conservation plan for **Rydal Mount**.

Repair of the Samson Tapestries at **Kelmscott Manor**.

Repair of the gates at **Sandon Hall**.

Wall and archway repairs at **Chillingham Castle**.

Repair of the north west tower at **Otford Palace**.

Repair of the plunge pool in the grounds of **Cannon Hall**.

High level repairs required to **Faringdon Folly Tower**.

Repairs to the north and east elevations of **Shandy Hall**.

Repair of the **Compton Verney** bridge.

Repair of the laundry block at **Gwrych Castle**.

Restricted Art Fund

None

Projects under consideration

A number of short-listed pre-applications were still under consideration at the end of the year. The Trustees had requested full applications or visited the properties and met the applicants, but final decisions concerning funding had still to be made pending further consideration at the August or November meetings. These included support of:

Repair of the aviary at **Somerleyton Hall**.

Repair of the chapel at **Bramham Park**.

Roof repairs of the **Settle Folly**.

Repair of **Highbury Mansion**.

The conservation of three paintings at **Inveraray Castle**.

The restoration of **Hestercombe House**.

The repair of **Cothelstone Manor Gatehouse**

HISTORIC HOUSES FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2023

Financial review

The Trustees are pleased to see the increase in value of investments primarily due to the generosity of donors.

The Historic Houses Foundation continues to work in an extremely cost effective and agile manner with administrative costs representing less than 3% of incoming resources.

The Articles of Association enable grants to be paid from capital as well as income and it is the current policy of the Trustees to pay grants and running costs of the Charity from the total return achieved on the Charity's investments over time. The Trustees have adopted an investment strategy which aims to achieve a balance between income and capital growth, taking account of potential risks and the level of investment managers' fees. The Trustees meet their investment managers regularly to review the investment policy, agree risk and return objectives, and decide asset allocation ranges.

The result for the year was a net increase in funds of £2,525,715 (2022: decrease of £544,202). In 2022/23 the Charity's investments showed an increase of £2,586,540 after additions and drawdowns (2022: decrease of £653,230) and at the year end the investments were valued at £16,653,141.

Investment summary:

	2023	2022
	£	£
Market value of investments at 1 July 2022 (1 July 2021)	14,066,601	14,719,831
Income	602,878	325,651
Donations received transferred into fund	2,500,000	940,826
Drawdowns	(500,000)	(500,000)
Change in market value	<u>(16,338)</u>	<u>(1,419,707)</u>
Market value of investments at 30 June 2023 (30 June 2022)	<u><u>16,653,141</u></u>	<u><u>14,066,601</u></u>

At 31 December 2023 the market value of the investments was £17,106,852.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to not less than six months' grants. This contingency reserve is generally maintained at £500,000 as a cash fund held by the investment managers. The Trustees consider that a reserve at this level will ensure that, in the event of a significant drop in asset values, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be realised. This level of reserves has been maintained throughout the period and the Trustees' investment strategy has taken account of the potential risks.

**HISTORIC HOUSES FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2023**

Future plans and outlook

The Trustees are continuing to develop their fundraising strategy for the Charity to encourage legacies and donations with the intention of increasing the investment fund to ensure that over the long-term support can continue to be provided to the growing number of applications received. In addition, the Trustees look to work in partnership with other funders in order to maximize the benefits of grants awarded and also to work closely with Historic Houses to raise the profile of the Charity.

The Trustees wish to acknowledge the generous donations and legacies from our supporters, including a further donation of £2million from Richard Broyd CBE and £500,000 from Crispin Odey. These gifts make a valuable and durable contribution to the work of the Charity and the conservation of our built heritage.

Trustees will continue to welcome applications for support of suitable projects in line with the charitable objects of the Charity.

Independent Auditors

A resolution proposing that Randall and Payne LLP be reappointed as independent auditors of the Charity will be put to the members.

On behalf of the Board of Trustees

Norman Hudson OBE

Chairman
14 February 2024

HISTORIC HOUSES FOUNDATION STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of Historic Houses Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and Accounts in accordance with applicable company law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which will give a true and fair view of the state of affairs of the Charity and of its incoming resources and their application of resources including the income and expenditure of the charitable company for that year.

In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be 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 operation.

The Trustees are responsible for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company;
- ensuring that the financial statements comply with the Companies Act 2006;
- safeguarding the assets of the charitable company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HISTORIC HOUSES FOUNDATION

Opinion

We have audited the financial statements of the Historic Houses Foundation (the 'charitable company') for the year ended 30 June 2023, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement and the related notes 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 mis-stated. If we identify such material inconsistencies or apparent material mis-statements, we are required to determine whether there is a material mis-statement in the financial statements or a material mis-statement of the other information. If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS (continued) TO THE MEMBERS OF HISTORIC HOUSES FOUNDATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material mis-statements in the Trustees Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records or returns or returns adequate for our audit have not been received from branches not visited by us; or
- financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities on page 7, the Trustees (who are also the directors of the Historic Houses Foundation for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material mis-statement, whether due to fraud or error, and to issue an auditor's report 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. Mis-statements 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.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report or for the opinions that we have formed.

Ryan Moore CA
Senior Statutory Auditor
Randall and Payne LLP
Chargrove House
Shurdington Road
Shurdington
Cheltenham
GL51 4GA
15 February 2024

HISTORIC HOUSES FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
(including Summary Income and Expenditure Account)
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2023 £	Total 2022 £
Income						
Grants, donations and legacies	3	2,536,407	-	(26,233)	2,510,174	3,336,215
Investment income	4	<u>604,825</u>	<u>-</u>	<u>-</u>	<u>604,825</u>	<u>325,744</u>
Total incoming resources		<u>3,141,232</u>	<u>-</u>	<u>(26,233)</u>	<u>3,114,999</u>	<u>3,661,959</u>
Expenditure						
Cost of raising funds						
Investment managers' fees		<u>54,096</u>	<u>-</u>	<u>-</u>	<u>54,096</u>	<u>51,802</u>
Expenditure on charitable activities						
Grants payable	6	-	479,191	9,726	488,917	2,676,688
Grant support and governance costs	7	<u>81,866</u>	<u>-</u>	<u>-</u>	<u>81,866</u>	<u>109,213</u>
Cost of grant making		<u>81,866</u>	<u>479,191</u>	<u>9,726</u>	<u>570,783</u>	<u>2,785,901</u>
Total expenditure		<u>135,962</u>	<u>479,191</u>	<u>9,726</u>	<u>624,879</u>	<u>2,837,703</u>
Net income/(expenditure) for the year		3,005,270	(479,191)	(35,959)	2,490,120	824,256
Gain/(loss) on investment assets	10	<u>35,595</u>	<u>-</u>	<u>-</u>	<u>35,595</u>	<u>(1,368,458)</u>
Net increase/(decrease) in funds for the year		3,040,865	(479,191)	(35,959)	2,525,715	(544,202)
Gross transfers between funds		<u>(184,098)</u>	<u>177,216</u>	<u>6,882</u>	<u>-</u>	<u>-</u>
Net movements in funds for the year		<u>2,856,767</u>	<u>(301,975)</u>	<u>(29,077)</u>	<u>2,525,715</u>	<u>(544,202)</u>
Reconciliation of funds						
Total funds brought forward at 1 July 2022		<u>12,671,637</u>	<u>1,330,343</u>	<u>213,464</u>	<u>14,215,444</u>	<u>14,759,646</u>
Total funds carried forward at 30 June 2023		<u>15,528,404</u>	<u>1,028,368</u>	<u>184,387</u>	<u>16,741,159</u>	<u>14,215,444</u>

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in notes 13 and 14 of the financial statements. An analysis of the 2022 figures is shown on page 19.

HISTORIC HOUSES FOUNDATION
BALANCE SHEET
AT 30 JUNE 2023

		2023	2022
	Note	£	£
Fixed assets			
Investments	10	16,653,141	14,066,601
Current assets			
Debtors	11	15,120	1,040
Cash at bank		<u>119,453</u>	<u>801,570</u>
		134,573	802,610
Creditors: amounts falling due within one year	12	<u>(46,555)</u>	<u>(653,767)</u>
Net current assets		<u>88,018</u>	<u>148,843</u>
Net assets		<u><u>16,741,159</u></u>	<u><u>14,215,444</u></u>
RESERVES AND FUNDS			
Unrestricted funds		15,528,404	12,671,637
Designated funds	13	1,028,368	1,330,343
Restricted funds	14	<u>184,387</u>	<u>213,464</u>
		<u><u>16,741,159</u></u>	<u><u>14,215,444</u></u>

The accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements on pages 10 to 23 were approved by the board on 14 February 2024 and signed on its behalf by

Norman Hudson OBE
Chairman

Sir John Parsons KCVO
Trustee

HISTORIC HOUSES FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
Net cash generated from operating activities (see note below)	<u>1,264,003</u>	<u>474,404</u>
Cash flows from investing activities:		
Dividends and interest	604,825	325,744
Disposal proceeds on sale of investments	549,468	15,780,444
Purchase of investments	(3,309,124)	(16,288,052)
Decrease/(increase) in uninvested cash held by investment managers	<u>208,711</u>	<u>(207,620)</u>
Net cash provided by investing activities	<u>(1,946,120)</u>	<u>(389,484)</u>
Change in cash and cash equivalents in the year	(682,117)	84,920
Cash and cash equivalents brought forward	<u>801,570</u>	<u>716,650</u>
Cash and cash equivalents carried forward	<u><u>119,453</u></u>	<u><u>801,570</u></u>

NOTE TO THE CASH FLOW STATEMENT

Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds for the year	2,525,715	(544,202)
Deduct: Investment income shown in investing activities	(604,825)	(325,744)
(Gain)/loss on investments	(35,595)	1,368,458
(Increase)/decrease in debtors	(14,080)	555
(Decrease) in creditors	<u>(607,212)</u>	<u>(24,663)</u>
Net cash generated from operating activities	<u><u>1,264,003</u></u>	<u><u>474,404</u></u>

HISTORIC HOUSES FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

1.1 Statutory information

Historic Houses Foundation is an incorporated charity registered with Companies House and with the Charity Commission for England and Wales.

The registered office is Sheephouse Farm, Uley Road, Dursley, Gloucestershire, GL11 5AD.

1.2 Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (the Charities SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Trustees have considered the likely impact on the Charity and its cash flows of the current economic uncertainty, impact of inflation and the downturn in global markets and consider that the Charity should have access to adequate working capital and funding to enable it to continue to trade for at least one year from the approval of these accounts. The accounts have therefore been prepared on the going concern basis.

1.3 Funds structure

Unrestricted funds are funds which are available for use at the discretion of the Trustees.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of designated funds are set out in the note 13 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for a specific purpose. The aim and use of each restricted fund is set out in the note 14 to the financial statements.

1.4 Income recognition and debtors

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, it is probable that it will be received, and the amount can be quantified with reasonable accuracy.

1.5 Resources expended and creditors

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 settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the Charity in the deliverance of its activities and services for its beneficiaries. Grants awarded are accrued in the accounts when they have been approved for payment by the Trustees and have met the Charity's preconditions. Grants awarded where the recipients have yet to fulfil any preconditions are set aside as designated funds.

Grant support and governance costs represent the cost of administering the grant-giving process and examining grant requests. As a grant-making charity all support costs are considered to relate to the sole activity of grant-making. Governance costs include those costs associated with the governance of the Charity and are primarily associated with constitutional and statutory requirements.

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (continued)

1.6 Pension scheme

The Charity operates a defined contribution pension scheme for one employee. Contributions are charged to the Statement of Financial Activities as they fall due.

1.7 Investments

The investment portfolio is managed by the investment managers. Short term cash deposits held by the managers are included within fixed assets investments. Investments held in foreign currencies are converted at the year-end exchange rate.

Investments are a form of financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposal in the year.

1.8 Financial instruments

The Charity has only basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.9 Taxation

As a registered charity, the Charity is generally exempt from corporation tax in connection with its direct charitable purpose, but not from value added tax. The cost of irrecoverable value added tax is included within the expense item to which it relates.

2 Related party transactions and trustee expenses and remuneration

The Trustees are considered to be the key management personnel and they received no remuneration for their services to the Charity for the year under review other than Mary King who received a consultancy fee of £3,293 (2022 -£10,027) via Historic England to assist with work on the Heritage Stimulus Fund.

Travel expenses totalling £4,339 (2022 - £3,074) were reimbursed during the year to 5 (2022 – 4) Trustees.

When donations are made to other organisations where HHF Trustees or close family members are also Trustees, those individuals are required to declare an interest and do not vote on the grant-giving decision.

There were no grants of this nature or any other related party transactions during the current or prior year.

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

3 Grants, donations and legacies

	2023	2022
	£	£
Heritage Stimulus Fund Grant	(26,233)	2,272,992
Donations and legacies receivable	<u>2,536,407</u>	<u>1,063,223</u>
	<u>2,510,174</u>	<u>3,336,215</u>

4 Investment income

	2023	2022
	£	£
Income from investments	602,878	325,651
Bank interest receivable	<u>1,947</u>	<u>93</u>
	<u>604,825</u>	<u>325,744</u>

5 Expenditure

	Note	Staff costs	Other costs	Grant funding	Total 2023	Total 2022
		£	£	£	£	£
Grant funding	6	-	-	488,917	488,917	2,676,688
Grant support and governance costs	7	<u>36,161</u>	<u>45,705</u>	<u>-</u>	<u>81,866</u>	<u>109,213</u>
		<u>36,161</u>	<u>45,705</u>	<u>488,917</u>	<u>570,783</u>	<u>2,785,901</u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

6 Grants payable

	2023	2022
	£	£
Grants relating to direct charitable expenditure comprise:		
Allerton Castle	-	30,000
Belsay Hall	21,000	9,000
Brightling Mausoleum	5,700	-
Calverley Old Hall	-	40,000
Capesthorne	35,491	-
City and Guilds	11,000	-
Combermere Abbey	-	13,500
Coventry Charterhouse	30,000	-
Ditchley Park Rotunda	14,000	6,000
Gwrych Castle	15,000	-
Haddon Hall Chapel	50,000	-
Haddon Hall Long Gallery	50,000	-
Hay Castle	-	40,000
Heritage Funding Directory	2,800	2,800
Heritage Update II	12,500	12,500
Heydon Hall	25,000	-
Kelmscott Manor	13,000	20,000
Kenward House	-	19,000
Keppel's Column	20,000	30,000
Kilve Chantry	7,000	6,000
Kimberley Hall	-	20,000
Kirtlington Park	14,000	36,000
Lawkland Hall	3,500	21,000
Marquess of Anglesey Column	25,200	-
Norton Conyers	-	24,000
Otford Palace	15,000	-
Pope's Grotto	15,000	-
Sandon Hall	36,000	1,376
Somerleyton Hall	-	16,770
Sudbury Gasworks	28,000	12,000
Tickenham Court	-	20,000
Turvey House	-	10,000
Wentworth Woodhouse	30,000	-
Wolterton Park	-	40,000
	<u>479,191</u>	<u>429,946</u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

6 Grants payable (continued)

	2023	2022
	£	£
Restricted grants from Heritage Conservation Trust Fund		
Bamburgh Church	1,750	1,750
Fulham Palace	-	3,000
Hedingham Castle	-	6,000
Hopetoun	5,396	-
Hutton in the Forest	-	1,000
Kelmscott	1,080	-
Kentchurch	-	4,000
Royal Museum Greenwich	1,500	-
	<u>9,726</u>	<u>15,750</u>
Restricted grants from Heritage Stimulus Fund		
Browsholme Hall	-	215,558
Everingham Hall	-	145,030
Haddon Hall	-	350,291
Hedingham Castle	-	107,476
Holkham Hall	-	286,217
Jane Austen's House	-	84,337
Levens Hall	-	176,260
Longleat	-	210,014
Moggerhanger Park	-	77,089
Muncaster Castle	-	242,986
Raby Castle	-	57,566
Scampston Hall	-	102,905
Woodchester Mansion	-	175,263
	<u>-</u>	<u>2,230,992</u>
Total grants payable	<u>488,917</u>	<u>2,676,688</u>

In addition to the amounts payable (shown above) and accrued, Trustees had authorised at 30 June 2023 grants of £1,028,368 (2022: £1,330,343), which will be payable on the recipients fulfilling certain conditions. This amount has been treated as a designated fund (see note 13).

During the year the Trustees reviewed a number of older grants which had been awarded but not paid out as the applicant had not met the qualifying conditions for payment. These grants amounting to £243,075 have now been cancelled and removed from the designated fund.

Additionally, the Trustees had authorised £14,556 of grants (2022 - £24,782) from the restricted HCT Fund which remain unpaid at the year end.

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

7 Grant support and governance costs

	----- 2023 -----			----- 2022 -----		
	Grant support	Govern- ance	Total	Grant support	Govern- ance	Total
	£	£	£	£	£	£
Staff costs (see note 8)	36,161	-	36,161	56,160	-	56,160
Rent	8,450	-	8,450	8,450	-	8,450
Rates	374	-	374	328	-	328
Light and heat	74	-	74	50	-	50
IT costs	3,679	-	3,679	2,222	-	2,222
Postage, stationery and telephone	717	-	717	231	-	231
Travelling and subsistence expenses	648	-	648	1,334	-	1,334
Insurance	1,261	-	1,261	1,425	-	1,425
Consultancy fees (see note 2)	3,293	-	3,293	10,027	-	10,027
Professional fees	-	385	385	-	670	670
Audit fees	-	6,000	6,000	-	7,272	7,272
Trustees' expenses	-	4,339	4,339	-	3,074	3,074
Fundraising and marketing advice	-	16,390	16,390	-	17,336	17,336
Sundry expenses	-	95	95	-	634	634
	<u>54,657</u>	<u>27,209</u>	<u>81,866</u>	<u>80,227</u>	<u>28,986</u>	<u>109,213</u>

All support costs incurred by the Charity relate to grant-making activities.

8 Staff costs

	2023	2022
	£	£
Employment costs:		
Wages and salaries	32,873	32,873
Pension costs	3,288	23,287
Social security costs	-	-
	<u>36,161</u>	<u>56,160</u>

The charity has one employee (2022: one) whose annual emoluments did not exceed £60,000.

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

9 Statement of Financial Activities (including Summary Income and Expenditure Account) prior period comparatives – re year ended 30 June 2022

	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2022 £
Income				
Grants, donations and legacies	1,105,223	-	2,230,992	3,336,215
Investment income	<u>325,744</u>	<u>-</u>	<u>-</u>	<u>325,744</u>
Total incoming resources	<u>1,430,967</u>	<u>-</u>	<u>2,230,992</u>	<u>3,661,959</u>
Expenditure				
Cost of raising funds				
Investment managers' fees	<u>51,802</u>	<u>-</u>	<u>-</u>	<u>51,802</u>
Expenditure on charitable activities				
Grants payable	-	429,946	2,246,742	2,676,688
Grant support and governance costs	<u>109,213</u>	<u>-</u>	<u>-</u>	<u>109,213</u>
Cost of grant making	<u>109,213</u>	<u>429,946</u>	<u>2,246,742</u>	<u>2,785,901</u>
Total expenditure	<u>161,015</u>	<u>429,946</u>	<u>2,246,742</u>	<u>2,837,703</u>
Net income/(expenditure) for the year	1,269,952	(429,946)	(15,750)	824,256
(Loss) on investment assets	<u>(1,368,458)</u>	<u>-</u>	<u>-</u>	<u>(1,368,458)</u>
Net (decrease) in funds for the year	(98,506)	(429,946)	(15,750)	(544,202)
Gross transfers between funds	<u>(396,070)</u>	<u>396,070</u>	<u>-</u>	<u>-</u>
Net movements in funds for the year	(494,576)	(33,876)	(15,750)	(544,202)
Reconciliation of funds				
Total funds brought forward at 1 July 2021	<u>13,166,213</u>	<u>1,364,219</u>	<u>229,214</u>	<u>14,759,646</u>
Total funds carried forward at 30 June 2022	<u>12,671,637</u>	<u>1,330,343</u>	<u>213,464</u>	<u>14,215,444</u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

10 Fixed asset investments

	2023	2022
	£	£
Listed investments at market value	15,902,724	13,107,473
Cash held by investment managers	250,417	459,128
Cash held as contingency reserve by investment managers	<u>500,000</u>	<u>500,000</u>
	<u><u>16,653,141</u></u>	<u><u>14,066,601</u></u>

Shares and securities	2023	2022
	£	£
Market value		
At 1 July 2022	13,607,473	14,468,323
Acquisitions	3,309,124	16,288,052
Disposals	(549,468)	(15,780,444)
(Losses)/gains on investment assets	<u>35,595</u>	<u>(1,368,458)</u>
At 30 June 2023	<u><u>16,402,724</u></u>	<u><u>13,607,473</u></u>
Historic cost		
At 30 June 2023	<u><u>17,806,263</u></u>	<u><u>16,038,279</u></u>
Unrealised (losses)/gains to 30 June 2023	<u><u>(1,403,539)</u></u>	<u><u>(2,430,806)</u></u>

Investments at fair value comprised:

	Assets held	Assets held	2023
	in UK	outside UK	Total
	£	£	£
Equities	415,693	10,441,401	10,857,094
Bonds	1,760,467	-	1,760,467
Alternatives	2,008,927	849,959	2,858,886
Liquid funds	909,471	16,806	926,277
Cash	<u>250,009</u>	<u>408</u>	<u>250,417</u>
Total	<u><u>5,344,567</u></u>	<u><u>11,308,574</u></u>	<u><u>16,653,141</u></u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

11 Debtors

	2023	2022
	£	£
Donations and legacies receivable	10,000	-
Prepayments and accrued income	5,120	1,040
	<u>15,120</u>	<u>1,040</u>

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Grants payable	12,600	619,705
Accruals	33,955	34,062
	<u>46,555</u>	<u>653,767</u>

13 Designated funds

	2023		2022	
	£	£	£	£
Grant commitments at 1 July 2022 (1 July 2021)		1,330,343		1,364,219
Grants approved		424,800		396,000
Grants cancelled		(243,075)		-
Grant adjustments		<u>(4,509)</u>		<u>70</u>
		1,507,559		1,760,289
Less Grants payable				
Paid in the year	529,758		426,216	
Less: Grants payable accrual at 1 July 2022	(63,167)		(59,437)	
Add: Grants payable accrual at 30 June 2023	<u>12,600</u>		<u>63,167</u>	
		<u>479,191</u>		<u>429,946</u>
Grant commitments at 30 June 2023 (30 June 2022)		<u>1,028,368</u>		<u>1,330,343</u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

14 Restricted funds

The Heritage Conservation Trust fund was established to hold the funds receivable on the transfer of the assets of the Heritage Conservation Trust in 2019.

The Heritage Stimulus Fund was established to hold funds received under Grants for Programmes of Major Works of the Government's Cultural Recovery Fund. This was granted to fund 18 specific projects in phase 1 and a further 13 specific projects in phase 2.

Grants payable from these funds are then deducted.

	Heritage Conservation Trust £	Heritage Stimulus Fund £	2023 £	2022 £
Restricted fund balance at 1 July 2022	194,113	19,351	213,464	229,214
Grant repaid to Historic England	-	(26,233)	(26,233)	-
Grants payable	-	-	-	2,230,992
Grants paid	(9,726)	-	(9,726)	(2,246,742)
Transfer from general fund	-	6,882	6,882	-
Restricted fund balance at 30 June 2023	<u>184,387</u>	<u>-</u>	<u>184,387</u>	<u>213,464</u>

At 30 June 2023 £14,556 (2022 - £24,782) of the Heritage Conservation Trust fund was committed to be spent leaving £169,831 available.

15 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	2023 Total £
Fund balances at 30 June 2023 are represented by:				
Investments	15,124,773	1,028,368	-	16,153,141
Contingency reserve	500,000	-	-	500,000
Net current assets	(96,369)	-	184,387	88,018
	<u>15,528,404</u>	<u>1,028,368</u>	<u>184,387</u>	<u>16,741,159</u>

15a Analysis of net assets between funds (prior year)

	Unrestricted funds £	Designated funds £	Restricted funds £	2022 Total £
Fund balances at 30 June 2022 are represented by:				
Investments	12,236,258	1,330,343	-	13,566,601
Contingency reserve	500,000	-	-	500,000
Net current assets	(64,621)	-	213,464	148,843
	<u>12,671,637</u>	<u>1,330,343</u>	<u>213,464</u>	<u>14,215,444</u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2023

16 Legal status of the charity

The Charity is a company limited by guarantee. The members of the Charity are the Trustees listed on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member. The Charity's controlling party is the Board of Directors who are also the Trustees.