

THE HISTORIC ENGLAND FOUNDATION

England & Wales · Charity number 1178368

Details

Status	Registered
Legal form	Charitable company
Company number	10564101
Registered	2018-05-14
Register	View on the Charity Commission register

Contact

Address	The Engine House Fire Fly Avenue Swindon Wiltshire SN2 2EH
Phone	02079733000
Email	info@historicenglandfoundation.org.uk
Website	https://historicenglandfoundation.org.uk/

Activities

Objects: 4.1 THE OBJECTS OF THE CHARITY ARE, FOR THE BENEFIT OF THE PUBLIC:4.1.1 TO PROMOTE THE CONSERVATION, PROTECTION AND IMPROVEMENT OF HERITAGE ASSETS SITUATED IN ENGLAND;4.1.2 TO ADVANCE EDUCATION BY PROMOTING RESEARCH INTO, AND FURTHERING THE PUBLIC'S KNOWLEDGE AND ENJOYMENT OF, HERITAGE ASSETS SITUATED IN ENGLAND AND THEIR CONSERVATION,IN PARTICULAR BUT NOT EXCLUSIVELY WITHOUT LIMITATION BY SUPPORTING THE WORK OF HBMCE; AND4.1.3 TO FURTHER SUCH OTHER EXCLUSIVELY CHARITABLE PURPOSES INCIDENTAL TO THE ABOVE OBJECTS AS THE TRUSTEES SEE FIT.

Activities: The charity distributes grants to other bodies who operate in line with the charity's objects which are to promote the conservation, protection and improvement of heritage assets situated in England and to advance education by promoting research into, and furthering the public's knowledge and enjoyment of, heritage assets situated in England and their conservation.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£257,728	£233,210	-	-
2024-03-31	£410,246	£451,301	-	-
2023-03-31	£1,624,441	£1,728,420	£247,067	0
2022-03-31	£494,077	£575,377	-	-
2021-03-31	£302,736	£361,640	-	-

Trustees

Name	Role	Appointed
Fabian Richter	Chair	2019-06-20
Christopher Alexander David Boyle KC		2025-10-15
Mitchell Bartrop		2025-10-15
Purnima Mookerjee		2024-10-24
Samantha Knights		2025-10-15
William Stratton-Morris		2024-10-24

THE HISTORIC ENGLAND FOUNDATION

England & Wales - Charity number 1178368

Accounts

THE HISTORIC ENGLAND FOUNDATION
(A charitable company limited by guarantee without share capital)

Charity Number: 1178368
Company Number: 10564101

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2025

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TRUSTEES' REPORT

The directors, who are also trustees, present their report and the audited financial statements for the year ended 31 March 2025. The Trustees' Report also contains the information required of the directors by company law.

Trustees

The trustees of the charity who were in office during the period and up to the date of signing the financial statements were:

Jay Barrymore (resigned 24 October 2024)
Peter Beckett (resigned 24 October 2024)
Matthew O'Connell (resigned 24 October 2024)
Purnima Mookerjee (appointed 24 October 2024)
Dr Fabian Richter
Satwinder Singh
William Stratton-Morris (appointed 24 October 2024)
Samuel Swire

Objectives and activities

The objects of the charity are, for the benefit of the public:

- ▶ To promote the conservation, protection and improvement of heritage assets situated in England;
- ▶ To advance education by promoting research into, and furthering the public's knowledge and enjoyment of, heritage assets situated in England and their conservation, in particular but not exclusively without limitation by supporting the work of Historic England; and
- ▶ To further such other exclusively charitable purposes incidental to the above objects as the trustees see fit.

To achieve its aims, the charity seeks to secure grants and donations from charitable trusts and foundations, other organisations and individuals. It then distributes these as grants to other bodies who operate in line with the charity's objects and with its grant-making policy, which states that:

- ▶ The trustees will only fund work that demonstrates heritage merit and applicants are expected to provide evidence that the heritage asset(s) that are the subject of the application are of sufficient historical or architectural significance to merit preservation;
- ▶ The trustees may on occasion fund applications for preservation or advancement of education of heritage assets that have a connection with a particular person or event, where that person or event is of sufficient educational, historical or significant interest or where a significant part of the surviving fabric relates to the period during which the person occupied it, or in which the event took place;
- ▶ The trustees will only fund the work of organisations operating in England;
- ▶ The trustees prefer to contribute to specific appeals and projects rather than to contribute to general running costs or expenditure of an organisation or charity;
- ▶ The trustees will not normally approve any grant without seeing the most recently published annual report and accounts of the organisation that they intend to benefit;
- ▶ Grants from the charity are restricted funds and may only be used towards the project and costs outlined in the submitted application, or as subsequently agreed in writing; and
- ▶ Grants from the charity must advance the education of the public and applicants are expected to demonstrate how this will be achieved.

The trustees have had regard to Charity Commission guidance on public benefit in shaping the objectives of the charity and planning its activities.

TRUSTEES' REPORT (continued)

Achievements and performance

Financial achievements are set out within the financial review.

Fundraising targets were approved by trustees at the beginning of the financial year, with income recorded against the following main programme areas: Learning, Skills & Wellbeing; Heritage at Risk; and National Blue Plaques. Total income for the year was £257,728.

During the year the charity undertook an in-depth review of its risk register and priorities and a new fundraising plan was agreed for the next three years.

Work was also undertaken towards the launch of the Foundation's first Patrons' Scheme, which will be delivered in 2025-26.

Fundraising

The charity does not employ any staff. All fundraising activity is outsourced to the Philanthropy and Development Team within Historic England, under the terms of a Shared Services Agreement, and their costs are recharged on a full cost basis to the charity. The trustees direct the work of the Historic England Philanthropy and Development Team in order to implement the strategy agreed by the trustees, and, particularly, to:

- ▶ Generate fundraised income in order to support projects that meet the objects of the charity and which have been approved by the trustees;
- ▶ Build up unrestricted income for the charity for allocation by the trustees in accordance with its grant-making policy.

The activities of the Philanthropy and Development Team are monitored and directed by the trustees who review and approve the Fundraising Strategy.

No third-party professional fundraisers or commercial participators have been engaged by the charity. No complaints have been received by the charity relating to its fundraising activities and the charity does not directly mail or e-mail members of the general public for the purposes of fundraising.

Financial review

Financial position

The charity had a successful fundraising year, securing restricted funding of £202,688 alongside a further £55,040 of unrestricted funding.

Grants have been awarded to Historic England for the following projects:

- ▶ £14,794 for Blue Plaques
- ▶ £29,708 for Emerging Talent Placements
- ▶ £64,500 for Heritage Building Skills
- ▶ £7,600 for Heritage Construction Training
- ▶ £19,643 for Skills and Education
- ▶ £33,821 for Rejuvenate

Further information is available in Note 12. Outgoing resources in Note 12 include grants as well as support costs of £35,299 and direct costs of £27,845, which are further detailed in Notes 3 and 4.

At the end of the year, the charity had restricted funds of £171,397 and unrestricted funds of £59,133.

TRUSTEES' REPORT (continued)

During the year, the charity recognised grants and donations including, but not limited to:

- ▶ £62,600 from The Swire Charitable Trust for Heritage Building Skills
- ▶ £55,000 from Historic England for unrestricted purposes
- ▶ £52,000 from Friends of the Flaxmill Maltings for education purposes at Shrewsbury Flaxmill Maltings
- ▶ £36,250 from the Benefact Trust for the Emerging Talent Programme
- ▶ £32,708 from The Mercers' Company for the Emerging Talent Programme
- ▶ £10,000 from The Rochester Bridge Trust for the Emerging Talent Programme
- ▶ £5,000 from Richard Upton for Blue Plaques
- ▶ £2,000 from Dr A K Clarke for Heritage Buildings Skills

The charity has also recognised other donations and legacies from companies and individuals totalling £2,070.

An explanation of the restrictions on these grants and donations and how they support the key objectives of the charity is contained in Note 12.

We would like to extend our thanks to all those trusts, individuals and companies who have supported The Historic England Foundation during the last financial year.

Principal risks and uncertainties

The key risks (and mitigations) facing the charity are as follows:

- ▶ Failure to meet agreed targets for philanthropic income, grants and sponsorship leads to a reduction in the number and scale of programmes supported (Mitigations: implementing a new 3-year fundraising plan for sustainable revenue growth and programme focus, setting targets and KPIs, regular progress monitoring with early risk mitigation measures.)
- ▶ Projects do not appeal to funders or match their priorities (Mitigations: new fundraising plan with focus on priority schemes in place, compelling cases for support and a pipeline of activities being drawn up)
- ▶ Risk of funder or donor leading to reputational damage (Mitigations: ethical fundraising and due diligence policies in place and implementation monitored)
- ▶ Recruitment of Trustees fails to secure the diversity, skills and networks needed for a sustainable footing for the future (Mitigations: ongoing recruitment and induction of new trustees, review of roles and responsibilities, review of advertising methods)
- ▶ Reduced capacity in the Historic England Philanthropy team due to sickness, vacancies or other pressures has a negative impact on the Foundation's ability to achieve its objectives (Mitigations: system for recording and managing absences in place; annual leave co-ordination; temporary cover recruited when necessary).

Reserves policy

The trustees have determined that holding reserves is unnecessary, because expenditure for the charity is easily controlled as there are no directly employed staff. Fixed costs and grants represent the largest single cost to the charity. Therefore, in the event of a failure to secure sufficient unrestricted funding, the work of the charity could be reduced. The trustees are content that the charity will continue to operate as a going concern for at least the twelve months from the date on which the report and financial statements have been signed, as per Note 1c on page 19.

Plans for future periods

Under the terms of the Shared Resources Agreement, the Historic England Philanthropy and Development Team, supported by the trustees as required, will lead on approaches to individuals, trusts and foundations, companies and other grant-making bodies for restricted gifts to pre-agreed priority projects as well as unrestricted gifts.

TRUSTEES' REPORT (CONTINUED)

Income generated from the general public may be restricted to specific programmes of activity or be unrestricted, in which case it will be allocated by trustees in accordance with the charity's grant-making policy.

From 2025/26, fundraising efforts will be strategically focused on three overarching priority areas for an initial three-year period: Heritage at Risk, Young People, and the Historic England Archive. Within each area, suitable projects are being identified and compelling cases for support are currently in development. Tailored funding strategies will be developed for each, comprising diverse portfolios of prospective funders, including trusts and foundations, high-net-worth individuals, and corporate partners. Income targets are being set in alignment with these plans to ensure clear performance benchmarks.

Additionally, 2025/26 will see the launch of the Foundation's first Patrons' scheme, designed to cultivate a network of engaged supporters and champions who will play a vital role in advancing the charity's mission and long-term sustainability.

To strengthen governance and enhance the charity's profile, new trustees with additional expertise in heritage and philanthropy will be appointed to the Foundation in 2025/26. Their experience will support the delivery of fundraising ambitions and help broaden the organisation's reach and influence.

Corporate partnerships and sponsorship will also be developed.

Structure, governance and management

Structure

The charity does not directly employ staff and hence does not have an organisational structure in the traditional sense. It operates as a subsidiary of Historic England, which is the sole member of the charity.

The charity is limited by guarantee without share capital, incorporated on 16 January 2017, and is a subsidiary undertaking of Historic England. Its governing document is its Memorandum and Articles of Association. On 14 May 2018, The Historic England Foundation was registered as a charity with the Charity Commission for England and Wales.

Governance

The trustees, for the purposes of company law, are also its directors. The trustees consist of at least three individuals, of whom no more than a minority shall be Historic England commissioners or Historic England employees, provided that there shall always be at least a quorum of trustees who are not Historic England commissioners or Historic England employees.

The trustees elect a Chair from among their number (provided such person is not a Historic England Commissioner or a Historic England employee). The Chair holds office for four years or for as long as they remain a trustee, whichever period is shorter and will be eligible for re-appointment at the end of their first term of office.

Three full trustee meetings were held in the financial year. Attendance at regular trustee meetings throughout the year has been very strong with only a very small number of apologies received.

TRUSTEES' REPORT (CONTINUED)*Management*

The day-to-day management and administration of the charity's operations is delegated to specific Historic England staff within the Philanthropy and Development, and Finance Teams. The service provided is paid for by the charity under the arrangement between the two organisations. Strategic decisions are taken by the trustee board following discussions at board meetings and based upon the recommendations of the Philanthropy and Development Team.

Details of the related party transactions and group relationships are contained within Notes 13 and 14 respectively.

Trustee recruitment and induction

During the year, Jay Barrymore, Peter Beckett and Matthew O'Connell resigned as Foundation trustees, while Purnima Mookerjee and William Stratton-Morris were appointed as trustees.

TRUSTEES' REPORT (continued)**Reference and administrative details**

Registered Office:	The Engine House Fire Fly Avenue Swindon Wiltshire SN2 2EH
Charity Registration Number:	1178368
Company Registration Number:	10564101
Trustees:	Jay Barrymore (resigned 24 October 2024) Peter Beckett (resigned 24 October 2024) Matthew O'Connell (resigned 24 October 2024) Purnima Mookerjee (appointed 24 October 2024) Dr Fabian Richter Satwinder Singh William Stratton-Morris (appointed 24 October 2024) Samuel Swire
Auditors:	Comptroller and Auditor General National Audit Office 157-159 Buckingham Palace Road London SW1W 9SP
Bankers:	HSBC Holdings plc Keith House 133 Regent Street London W1B 4HX

Exemptions from disclosure

The charity is entitled to the small companies' exemption in relation to the preparation of a Strategic Report under section 414A of the Companies Act 2006.

Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

TRUSTEES' REPORT (continued)

Statement of trustees' responsibilities

The trustees (who are also the directors of The Historic England Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under these laws, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

As far as each of the trustees is aware:

- ▶ there is no relevant audit information of which the charitable company's auditor is unaware, and
- ▶ they have taken all the steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at a Board meeting.

TRUSTEES' REPORT (continued)

Other matters

The accounts have been audited by the Comptroller and Auditor General, National Audit Office since the inception of the company.

Audit fees charged for the year are reported in note 3.

These financial accounts were authorised for issue by the Board of Trustees and were signed on their behalf by:



Dr Fabian Richter
Trustee
22 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION

Opinion on financial statements

I have audited the financial statements of The Historic England Foundation for the year ended 31 March 2025 which comprise The Historic England Foundation's:

- Balance Sheet as at 31 March 2025;
- Statement of Financial Activities (including Income & Expenditure Account);
- Statement of Cash Flows; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of The Historic England Foundation's affairs as at 31 March 2025 and 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;
- have been properly prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs (UK)), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2024*. I am independent of the Historic England Foundation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Historic England Foundation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Historic England Foundation'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.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (CONTINUED)

Other Information

The other information comprises the information included in the Trustees' Report but does not include the financial statements and my auditor's report thereon. The Trustees are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of The Historic England Foundation and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within The Historic England Foundation from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as Trustees determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- preparing the Trustees Report, in accordance with the Companies Act 2006 and the Charities Act 2011, and
- assessing The Historic England Foundation'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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs (UK)).

My 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 that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of The Historic England Foundation's accounting policies,
- inquired of management and those charged with governance, including obtaining and reviewing supporting documentation relating to The Historic England Foundation's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Historic England Foundation's controls relating to The Historic England Foundation's compliance with the Companies Act 2006 and the Charities Act 2011;
- inquired of management and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Historic England Foundation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of The Historic England Foundation's framework of authority and other legal and regulatory frameworks in which The Historic England Foundation operates, I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Historic England Foundation. The key laws and regulations I considered in this context included Companies Act 2006 and the Charities Act 2011.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and those charged with governance concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Martin Burgess (Senior Statutory Auditor)
24 July 2025

For and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH

		2024-2025			2023-2024
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Income From:					
Donations and Legacies	2	40	61,130	61,170	9,503
Grants	2	55,000	141,558	196,558	400,743
Total		55,040	202,688	257,728	410,246
Expenditure On:					
Raising Funds	3,4,5	32,534	277	32,811	23,896
Charitable Activity	3,4,5	28,639	171,760	200,399	427,405
Total		61,173	172,037	233,210	451,301
Net Income/(Expenditure)		(6,133)	30,651	24,518	(41,055)
Reconciliation of Funds:					
Total Funds Brought Forward	12	65,266	140,746	206,012	247,067
Total Funds Carried Forward	12	59,133	171,397	230,530	206,012

All the revenue and operating results relate to the continuing operations of the charity.

The charity had no recognised gains or losses during the period other than those in the Statement of Financial Activities.

The notes on pages 19 to 28 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH

		2025	2024
		Total	Total
	Note	Funds	Funds
		£	£
Fixed Assets			
Intangible Asset	7	13,720	27,439
Total Fixed Assets		13,720	27,439
Current Assets			
Debtors	8,9	10,100	55,000
Cash at Bank and in Hand	8,10	219,111	177,869
Total Current Assets		229,211	232,869
Liabilities			
Creditors: Amounts Falling Due Within One Year	8,11	(12,401)	(54,296)
Total Liabilities		(12,401)	(54,296)
Net Current Assets		216,810	178,573
Total Net Assets		230,530	206,012
The Funds of the Charity			
Restricted Funds	12	171,397	140,746
Unrestricted Funds	12	59,133	65,266
Total Charity Funds		230,530	206,012

The notes on pages 19 to 28 form part of these financial statements.

These financial accounts were approved and authorised for signature by the Board of Trustees on 22 July 2025 and were signed on their behalf by:



Dr Fabian Richter
Trustee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	2024-2025 £	2023-2024 £
Net Income/(Expenditure) for the Financial Year		24,518	(41,055)
Adjustments for:			
Amortisation	7	13,719	13,719
(Increase)/Decrease in Debtors	9	44,900	73,077
Increase/(Decrease) in Creditors	11	(41,895)	(45,468)
Net Cash Generated by Operating Activities		41,242	273
Change in Cash and Cash Equivalents During the Year		41,242	273
Cash and Cash Equivalents at the Beginning of the Year	10	177,869	177,596
Cash and Cash Equivalents at the End of the Year	10	219,111	177,869

The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Accounting Policies

a) General information

The Historic England Foundation was incorporated on 16 January 2017 and is a subsidiary undertaking of Historic England. It was registered as a charity on 14 May 2018. The charity provides grants to applicable bodies which meet the aims and objectives of the charity in line with its established Memorandum and Articles of Association.

The charity is a public benefit entity limited by guarantee without share capital and is incorporated in England. The registered office is The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH.

The financial statements are prepared on the historic cost basis and presented in British Pounds Sterling.

b) Statement of compliance

The financial statements have been prepared in accordance with 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) - 'Charities SORP' and the Companies Act 2006.

c) Basis of preparation – going concern

The financial statements are prepared on a going concern basis. The charity currently meets its financial obligations through receipt of funding from unrestricted grants from Historic England and is targeting an individual fundraising strategy to reduce this reliance.

After making enquiries of Historic England regarding receipt of ongoing unrestricted funding, the trustees have a reasonable expectation that the charity will have access to adequate resources to continue in operational existence for at least twelve months from the date the accounts were approved. The charity therefore adopts the going concern basis in preparing its financial statements on the basis that there are no material uncertainties about the charity's ability to continue to operate.

d) Accounting judgments and estimates

There are no critical judgments, estimates or assumptions present in these financial statements.

e) Revenue recognition

All revenue is generated from donations, legacies, grants and Gift Aid and is measured at the fair value of the consideration received or receivable. Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor, and the amount receivable can be measured with sufficient accuracy.

Gift Aid is recognised when the claim is made by the Foundation to HMRC.

Accrued income is recognised where a formal offer of funding has been communicated to HEF and terms and conditions have been met, but cash has not yet been received.

f) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are donations (plus any related Gift Aid) or grants which the donor has specified are to be solely used for particular purposes and/or at particular times.

Costs charged to restricted funds relate to activities undertaken to further the specific charitable purposes the fund was established to support. These costs include both direct and support costs associated with the activities undertaken by the restricted fund.

Support costs which can be so associated have been apportioned according to the number of transactions on restricted and unrestricted funds to the extent that restricted funds are available and do not go into deficit.

g) Expenditure recognition

Expenditure is accounted for on an accruals basis in line with the requirements of Charity SORP and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

The charity is not registered for VAT and as a result all expenditure is inclusive of input VAT incurred.

h) Grant making activities

Grants awarded, notified to the recipient and accepted are accounted for on an accruals basis in line with the requirements of Charity SORP and are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

i) Apportionment and allocation of costs

In accordance with the requirements of the Charities SORP, the charity has developed a model to apportion support costs across its main activities. The results of this can be found at Note 4.

Support costs are those functions that assist the work of the charity but are not directly attributable to raising funds or charitable activities. Support costs include finance, legal and governance costs that support the charity's charitable remit.

Support costs have been apportioned based on that activity's share of costs to the extent that restricted funds are available and do not go into deficit.

j) Taxation

Taxation expenses comprise current corporation tax recognised in the reporting period.

As the company is registered as a charity it is generally exempt from the requirement to pay corporation tax.

k) Fixed Assets

Fixed assets consist of The Historic England Foundation website. It is recognised on a historic cost basis with amortisation provided over 4 years with no residual value assumed.

Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of the asset does not exceed its recoverable amount.

Amortisation is included in finance and administrative costs in note 3 and allocated with the other support costs as detailed in note 4.

l) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held on call or with maturities of less than three months.

m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity only holds non-complex financial instruments.

2 Income from Donations and Legacies

	2024-2025			2023-2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Donations	40	61,130	61,170	7,609
Gift Aid	-	-	-	1,894
Total Donations	40	61,130	61,170	9,503
Grants	55,000	141,558	196,558	400,743
Total Income	55,040	202,688	257,728	410,246

3 Support Costs

	2024-2025			2023-2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Audit Fee	12,360	-	12,360	12,000
Finance and Administrative	20,968	1,971	22,939	35,228
Total Support Costs	33,328	1,971	35,299	47,228

Details on the method of allocation and apportionment of costs between restricted and unrestricted funds are available at Note 1i).

The audit fee is £10,300 plus VAT.

Remuneration paid to auditors in respect of non-audit services in 2024-2025 was nil (2023-2024: nil).

4 Allocation of Support Costs

Details on the method of allocation and apportionment of support costs between activities are available at Note 1i).

a) Expenditure by Activity

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2025					
Raising Funds	-	27,845	-	4,966	32,811
Charitable Activity	170,066	-	-	30,333	200,399
Support Costs	-	8,617	26,682	(35,299)	-
Total Expenditure	170,066	36,462	26,682	-	233,210

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2024					
Raising Funds	-	21,396	-	2,500	23,896
Charitable Activity	382,677	-	-	44,728	427,405
Support Costs	-	20,899	26,329	(47,228)	-
Total Expenditure	382,677	42,295	26,329	-	451,301

b) Support Costs by Activity

	Governance £	Finance £	Total £
For the Year Ended 31 March 2025			
Raising Funds	1,739	3,227	4,966
Charitable Activities	10,621	19,712	30,333
Total Support Costs	12,360	22,939	35,299

	Governance £	Finance £	Total £
For the Year Ended 31 March 2024			
Raising Funds	635	1,865	2,500
Charitable Activities	11,365	33,363	44,728
Total Support Costs	12,000	35,228	47,228

5 Trustees' Remuneration

None of the trustees received any remuneration or any other benefits by any group or other entity during the period in respect of The Historic England Foundation.

6 Employee Benefits

The charity did not directly employ any staff during the accounting period. This means that no disclosure of staff receiving benefits of more than £60,000 is required. All staff engaged on charity business have a contract of employment with Historic England. The costs of these staff are included with overheads in the management charge from Historic England.

7 Intangible Asset

A full year of amortisation is provided in the year of acquisition and none in the year of disposal.

	Total £
Cost at 1 April 2024	54,877
At 31 March 2025	54,877
Amortisation at 1 April 2024	27,438
Charged in year	13,719
Amortisation at 31 March 2025	41,157
Carrying amount at 31 March 2024	27,439
Carrying amount at 31 March 2025	13,720

	Total £
Cost at 1 April 2023	54,877
At 31 March 2024	54,877
Amortisation at 1 April 2023	13,719
Charged in year	13,719
Amortisation at 31 March 2024	27,438
Carrying amount at 31 March 2024	27,439

8 Summary of Current Assets and Liabilities

	2024-2025			2023-2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Current Assets	58,620	170,591	229,211	232,869
Current Liabilities	(12,401)	-	(12,401)	(54,296)
Net Current Assets	46,219	170,591	216,810	178,573

9 Debtors

	2024-2025			2023-2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accrued Income	-	10,100	10,100	55,000
Total Debtors	-	10,100	10,100	55,000

10 Cash at Bank and in Hand

	2024-2025			2023-2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Cash at Bank	58,620	160,491	219,111	177,869
Total Cash	58,620	160,491	219,111	177,869

11 Creditors: Amounts Falling Due Within One Year

	2024-2025			2023-2024
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accruals and Deferred Income	12,401	-	12,401	54,296
Total Creditors	12,401	-	12,401	54,296

12 Reconciliation of Movement in Funds

	At 1 April 2024 £	Incoming Resources £	Outgoing Resources £	At 31 March 2025 £
Restricted Funds				
Archive	69,887	-	-	69,887
Blue Plaques	-	5,000	(5,000)	-
Emerging Talent	-	78,958	(29,974)	48,984
Heritage Building Skills	-	64,600	(64,600)	-
Heritage Construction	7,600	-	(7,600)	-
Historic England	9,792	-	(9,792)	-
Rejuvenate	33,821	-	(33,821)	-
Shrewsbury Flaxmill Maltings	3	54,125	(1,602)	52,526
Skills and Education	19,643	5	(19,648)	-
Total Restricted Funds	140,746	202,688	(172,037)	171,397
Unrestricted Funds				
General Fund	65,266	55,040	(61,173)	59,133
Total Unrestricted Funds	65,266	55,040	(61,173)	59,133
Total Funds	206,012	257,728	(233,210)	230,530

The purposes and restrictions of the material individual funds are described below. Outgoing resources above include both grants and support costs charged to restricted funds. Material income and expenditure is detailed below.

Archive

This fund is held to support the work of the Historic England Archive, a public archive of architectural and archaeological records that holds over 12 million historic photographs, plans, drawings, reports, records and publications from the 1850s to the present covering England's archaeology, architecture, social and local history.

Blue Plaques

The National Blue Plaque scheme builds on the value and success of the London scheme (which continues to be led by English Heritage) and local schemes across the country to celebrate people from all walks of life who have made a significant contribution to human welfare or happiness; and/or have made an exceptional impact in their field, community or on society at large.

In 2024-2025 a £5,000 donation was received from Richard Upton towards the scheme. A grant of £5,000 was made to Historic England during 2024-2025 from this fund.

Emerging Talent Placements

The Emerging Talent Placements Programme provides safe and quantitative work experience to young people aged 18 to 30 from underrepresented audiences with the aim of improving diversity in the Historic England workforce and in every aspect of their work

In 2024-2025 a grant of £32,708 (2023-2024: £26,184) was received from The Mercers' Company, a grant of £36,250 (2023-2024: £nil) was received from the Benefact Trust and a grant of £10,000 (2023-24: £nil) was accrued from The Rochester Bridge Trust.

Grants totalling £29,708 (2023-2024: £26,184) were made to Historic England during 2024-2025 from this fund.

Heritage Building Skills

The Heritage Building Skills programme is an in-work training and apprenticeships programme that will help to ensure that the trade and craft skills needed to repair and maintain historic buildings are passed onto future generations.

In 2024-2025 grants totalling £62,600 (2023-2024: £nil) were received from The Swire Charitable Trust. An additional donation of £2,000 was received from Dr A K Clarke.

Grants totalling £64,500 (2023-2024: £223,253) were made to Historic England during 2024-2025.

Heritage Construction

In 2024-2025 a grant of £7,600 (2023-2024: £nil) was made to Historic England to be used in conjunction with the Heritage Building Skills grant to fund in-work training and apprenticeships.

Historic England

In 2024-2025 a grant of £9,792 (2023-2024: £nil) was made to Historic England to be used for the National Blue Plaque scheme.

Rejuvenate

The Rejuvenate programme is researching the most effective ways to improve the lives of vulnerable young people with a particular view to increasing wellbeing through enhancing life opportunities, including to prevent involvement with the criminal justice system and to respond to the challenges of being in the criminal justice system, and reduce re-offending.

In 2024-2025 a grant of £33,821 (2023-2024: £nil) was made to Historic England in relation to this fund.

Shrewsbury Flaxmill Maltings

Known as the grandparent of skyscrapers, Shrewsbury Flaxmill Maltings was the first multi-floored iron-framed building in the world.

In 2024-2025 donations of £2,125 were restricted to work undertaken at Shrewsbury Flaxmill Maltings (2023-2024: donations of £7,539 and Gift Aid on donations of £1,705). In addition, Friends of the Flaxmill Maltings were wound up and donated the remainder of their funds of £52,000 to be used to fund education work at Shrewsbury Flaxmill Maltings.

No grants (2023-2024: £44,456) were awarded to Historic England during 2024-2025 in relation to this fund.

Skills and Education

In 2024-2025 a grant of £19,643 (2023-2024: £nil) was made to Historic England to be used for the Heritage Building Skills programme.

Unrestricted Funds

Unrestricted funds are not restricted to any particular area of activity but are used to support The Historic England Foundation's general purposes.

13 Related Party Transactions

Historic England is the sole member of the charity and is regarded as a related party. Grants of £170,066 (2023-2024: £382,677) were given to Historic England. Historic England invoiced the charity in respect of shared services of £36,462 (2023-2024: £42,295 which was unpaid at the end of the financial year). Historic England also provided capacity building grant funding to The Historic England Foundation of £55,000 (2023-2024: £55,000 which was unpaid at the end of the financial year). £110,000 was received in 2024-25, £55,000 related to the 2024-25 capacity building grant and £55,000 of capacity building grant funding was received during 2024-25 from Historic England relating to the previous financial year

During the year, the charity had the following related party transactions which require disclosure:

- Samuel Swire, trustee, is the Chair of The Swire Charitable Trust which gave grants totalling £62,600 to the Heritage Building Skills restricted fund.
- Richard Upton, commissioner of Historic England, gave £5,000 to the National Blue Plaques scheme.

No other trustees or other related parties have undertaken any material related party transactions with the charity during the year.

14 Controlling Parties

The parent entity and ultimate controlling party of The Historic England Foundation is Historic England (Historic Buildings and Monuments Commission for England) which is the public body that helps people care for, enjoy and celebrate England's spectacular historic environment which they achieve by:

- ▶ Championing historic places;
- ▶ Identifying and protecting our heritage;
- ▶ Supporting change;
- ▶ Understanding historic places; and
- ▶ Providing expertise at a local level.

Historic England as sole member of the charity and under the charity's articles of association has the power to appoint and remove trustees.

Copies of the consolidated accounts are available to the public and may be obtained from www.historicengland.org.uk.

15 Events after the Reporting Period

There were no events after the reporting period to be declared in these accounts. The accounts were authorised for issue on the date the Independent Auditor's Report was signed.

THE HISTORIC ENGLAND FOUNDATION

England & Wales - Charity number 1178368

Accounts

THE HISTORIC ENGLAND FOUNDATION
(A charitable company limited by guarantee without share capital)

Charity Number: 1178368
Company Number: 10564101

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

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TRUSTEES' REPORT

The directors, who are also trustees, present their report and the audited financial statements for the year ended 31 March 2024. The Trustees' Report also contains the information required of the directors by company law.

Trustees

The trustees of the charity who were in office during the period and up to the date of signing the financial statements were:

Jay Barrymore
Peter Beckett
David Laing (resigned 20 February 2024)
Ellen Leslie (resigned 2 November 2023)
Sir Laurie Magnus (resigned 27 June 2023)
Matthew O'Connell
Dr Fabian Richter
Satwinder Singh
Samuel Swire

Objectives and activities

The objects of the charity are, for the benefit of the public:

- ▶ To promote the conservation, protection and improvement of heritage assets situated in England;
- ▶ To advance education by promoting research into, and furthering the public's knowledge and enjoyment of, heritage assets situated in England and their conservation, in particular but not exclusively without limitation by supporting the work of Historic England; and
- ▶ To further such other exclusively charitable purposes incidental to the above objects as the trustees see fit.

To achieve its aims, the charity seeks to secure grants and donations from charitable trusts and foundations, other organisations and individuals. It then distributes these as grants to other bodies who operate in line with the charity's objects and with its grant-making policy, which states that:

- ▶ The trustees will only fund work that demonstrates heritage merit and applicants are expected to provide evidence that the heritage asset(s) that are the subject of the application are of sufficient historical or architectural significance to merit preservation;
- ▶ The trustees may on occasion fund applications for preservation or advancement of education of heritage assets that have a connection with a particular person or event, where that person or event is of sufficient educational, historical or significant interest or where a significant part of the surviving fabric relates to the period during which the person occupied it, or in which the event took place;
- ▶ The trustees will only fund the work of organisations operating in England;
- ▶ The trustees prefer to contribute to specific appeals and projects rather than to contribute to general running costs or expenditure of an organisation or charity;
- ▶ The trustees will not normally approve any grant without seeing the most recently published annual report and accounts of the organisation that they intend to benefit;
- ▶ Grants from the charity are restricted funds and may only be used towards the project and costs outlined in the submitted application, or as subsequently agreed in writing; and
- ▶ Grants from the charity must advance the education of the public and applicants are expected to demonstrate how this will be achieved.

The trustees have had regard to Charity Commission guidance on public benefit in shaping the objectives of the charity and planning its activities.

TRUSTEES' REPORT (continued)

Achievements and performance

Financial achievements are set out within the financial review.

Fundraising targets were approved by trustees at the beginning of the financial year, with income recorded against the following programme areas: Learning, Skills & Engagement; Heritage at Risk; Archive; Technical and Scientific; and Other. Total income for the year was £410,246.

During the year the charity adopted a new Fundraising Risk Appetite and Due Diligence Policy.

Fundraising

The charity does not employ any staff. All fundraising activity is outsourced to the Partnerships and Development Team within Historic England, under the terms of a Shared Services Agreement, and their costs are recharged on a full cost basis to the charity. The trustees direct the work of the Historic England Partnerships and Development Team in order to implement the strategy agreed by the trustees, and, particularly, to:

- ▶ Generate fundraised income in order to support projects that meet the objects of the charity and which have been approved by the trustees;
- ▶ Build up unrestricted income for the charity for allocation by the trustees in accordance with its grant-making policy.

The activities of the Partnerships and Development Team are monitored and directed by the trustees who review and approve the Fundraising Strategy.

No third-party professional fundraisers or commercial participators have been engaged by the charity. No complaints have been received by the charity relating to its fundraising activities and the charity does not directly mail or e-mail members of the general public for the purposes of fundraising.

Financial review

Financial position

The charity has had a successful fundraising year, securing restricted funding of £354,987 with a further £55,259 of unrestricted funding.

Grants have been awarded to Historic England for the following projects:

- ▶ £26,478 for apprenticeships
- ▶ £26,184 for Emerging Talent Placements
- ▶ £62,306 for Fort Cumberland X-Ray
- ▶ £223,253 for Heritage Building Skills
- ▶ £44,456 for Shrewsbury Flaxmill Maltings.

Further information is available in Note 12. Outgoing resources in Note 12 include grants as well as support costs of £47,228 and direct costs of £21,396.

At the end of the year, the charity had restricted funds of £140,746 and unrestricted funds of £65,266.

TRUSTEES' REPORT (continued)

During the year, the charity recognised grants and donations including:

- ▶ £26,184 from The Mercers' Company for the Emerging Talent Programme
- ▶ £55,000 from Historic England for unrestricted purposes
- ▶ £6,000 from Sir Laurie Magnus for use at Shrewsbury Flaxmill Maltings
- ▶ £34,000 from the Benefact Trust for project Rejuvenate
- ▶ £62,306 from The Wolfson Foundation for X-Ray equipment
- ▶ £223,253 from The Hamish Ogston Foundation for Heritage Building Skills

The charity has also recognised other donations and legacies from companies and individuals totalling £3,503 including Gift Aid on individual donations.

An explanation of the restrictions on these grants and donations and how they support the key objectives of the charity is contained in Note 12.

We would like to extend our thanks to all those trusts, individuals and companies who have supported The Historic England Foundation during the last financial year.

Principal risks and uncertainties

The key risks (and mitigations) facing the charity are as follows:

- ▶ Inability to build up strategic long-term income to enable financial sustainability (ensure Historic England Partnerships and Development Team is sufficiently resourced and skilled to build up sustainable income streams);
- ▶ Trustee body lacks relevant skills and diversity of experience (carry out a regular skills audit to inform training requirements and to inform and support future trustee recruitment);
- ▶ Non-compliance with General Data Protection Regulation (GDPR) and Privacy and Electronic Communications Regulations (ensure approach to fundraising is compliant with all data protection legislation through appointed Data Protection Officer and regular reviews by the Historic England Partnerships and Development Team of its policies and processes);
- ▶ Risk of funder or donor leading to reputational damage (adopt and implement a new ethical fundraising and due diligence policy).

Reserves policy

The trustees have determined that holding reserves is unnecessary, because expenditure for the charity is easily controlled as there are no directly employed staff. Fixed costs and grants represent the largest single cost to the charity. Therefore, in the event of a failure to secure sufficient unrestricted funding, the work of the charity could be reduced. The trustees are content that the charity will continue to operate as a going concern for at least the twelve months from the date on which the report and financial statements have been signed, as per Note 1c on page 18.

Plans for future periods

The trustees reviewed the forward business plan in the 2023-24 financial year and has set new targets for the period 2024-2027. The new forward business plan outlines how the charity intends to build up income in support of its grant-making activities:

- ▶ Individuals capable of giving both at higher levels financially and in their capacity to influence others to support will be cultivated by the trustees and the Historic England Partnerships and Development Team, under the terms of the Shared Resources Agreement. Major donors may be drawn from the UK or from international audiences. Approaches will be made on a one-to-one basis and are likely to provide restricted gifts in support of pre-agreed priority projects.

TRUSTEES' REPORT (continued)

- ▶ Under the terms of the Shared Resources Agreement the Historic England Partnerships and Development Team, supported by the trustees as required, will lead on approaches to trusts and foundations and other grant-making bodies for restricted gifts to pre-agreed priority projects.
- ▶ Income generated from the general public may be restricted to specific programmes of activity or be unrestricted, in which case it will be allocated by trustees in accordance with the charity's grant-making policy. A mid-level regular giving programme will be developed and tested to assess the potential of long-term engagement from a wider range of individuals and increase levels of unrestricted income.
- ▶ Corporate partnerships and sponsorship may also be initiated.

Structure, governance and management

Structure

The charity does not directly employ staff and hence does not have an organisational structure in the traditional sense. It operates as a subsidiary of Historic England, which is the sole member of the charity.

The charity is limited by guarantee without share capital, incorporated on 16 January 2017, and is a subsidiary undertaking of Historic England. Its governing document is its Memorandum and Articles of Association. On 14 May 2018, The Historic England Foundation was registered as a charity with the Charity Commission for England and Wales.

Governance

The trustees, for the purposes of company law, are also its directors. The trustees consist of at least three individuals, of whom no more than a minority shall be Historic England commissioners or Historic England employees, provided that there shall always be at least a quorum of trustees who are not Historic England commissioners or Historic England employees.

The trustees elect a Chair from among their number (provided such person is not a Historic England Commissioner or a Historic England employee). The Chair holds office for four years or for as long as they remain a trustee, whichever period is shorter, and will be eligible for re-appointment at the end of their first term of office.

Three full trustee meetings were held in the financial year. Attendance at regular trustee meetings throughout the year has been very strong with only a very small number of apologies received.

Management

The day-to-day management and administration of the charity's operations is delegated to specific Historic England staff within the Partnerships and Development, and Finance Teams. The service provided is paid for by the charity under the arrangement between the two organisations. Strategic decisions are taken by the trustee board following discussions at board meetings and based upon the recommendations of the Partnerships and Development Team.

Details of the related party transactions and group relationships are contained within Notes 13 and 14 respectively.

Trustee recruitment and induction

During the year, David Laing, Ellen Leslie and Laurie Magnus resigned as HEF trustees.

Three trustees' terms were extended to Autumn 2024, with a view to new trustees being recruited during the year.

TRUSTEES' REPORT (continued)**Reference and administrative details**

Registered Office:	The Engine House Fire Fly Avenue Swindon Wiltshire SN2 2EH
Charity Registration Number:	1178368
Company Registration Number:	10564101
Trustees:	Jay Barrymore Peter Beckett David Laing (resigned 20 February 2024) Ellen Leslie (resigned 2 November 2023) Sir Laurie Magnus (resigned 27 June 2023) Matthew O'Connell Dr Fabian Richter Satwinder Singh Samuel Swire
Auditors:	Comptroller and Auditor General National Audit Office 157-159 Buckingham Palace Road London SW1W 9SP
Bankers:	HSBC Holdings plc Keith House 133 Regent Street London W1B 4HX

Exemptions from disclosure

The charity is entitled to the small companies' exemption in relation to the preparation of a Strategic Report under section 414A of the Companies Act 2006.

Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

TRUSTEES' REPORT (continued)

Statement of trustees' responsibilities

The trustees (who are also the directors of The Historic England Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under these laws, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

As far as each of the trustees is aware:

- ▶ there is no relevant audit information of which the charitable company's auditor is unaware, and
- ▶ they have taken all the steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at a Board meeting.

TRUSTEES' REPORT (continued)

Other matters

The accounts have been audited by the Comptroller and Auditor General, National Audit Office since the inception of the company.

Audit fees charged for the year are reported in note 3.

These financial accounts were authorised for issue by the Board of Trustees and were signed on their behalf by:



Dr Fabian Richter
Trustee
23 July 2024

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION

Opinion on financial statements

I have audited the financial statements of The Historic England Foundation ('the Company') for the year ended 31 March 2024 under the Companies Act 2006 which comprise the Company's:

- Balance Sheet as at 31 March 2024;
- Statement of Financial Activities (Including Income & Expenditure Account);
- Statement of Cash Flows for the year then ended; and
- the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and 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;
- have been properly prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (CONTINUED)

Other Information

The other information comprises the information included in the Trustees' Report, but does not include the financial statements and my auditor's report thereon. The Trustees are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Company from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as Trustees determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006 and the Charities Act 2011;
- preparing the Annual Report, in accordance with the Companies Act 2006 and the Charities Act 2011; and
- assessing the 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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs (UK)).

My 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 that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Company's accounting policies;
- inquired of management and those charged with governance, including obtaining and reviewing supporting documentation relating to the Company's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Historic England Foundation's controls relating to the Company's compliance with the Companies Act 2006 and the Charities Act 2011;
- inquired of management and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations; and
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Company for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Company's framework of authority and other legal and regulatory frameworks in which the Company operates, I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations I considered in this context included Companies Act 2006 and the Charities Act 2011.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and those charged with governance concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Alexander Macnab (Senior Statutory Auditor)
23 July 2024

For and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH

	Note	2023-2024			2022-2023
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Income From:					
Donations and Legacies	2	259	9,244	9,503	162,760
Grants	2	55,000	345,743	400,743	1,461,681
Total		55,259	354,987	410,246	1,624,441
Expenditure On:					
Raising Funds	3,4,5	23,697	199	23,896	16,039
Charitable Activity	3,4,5	41,169	386,236	427,405	1,712,381
Total		64,866	386,435	451,301	1,728,420
Net Income/(Expenditure)		(9,607)	(31,448)	(41,055)	(103,979)
Reconciliation of Funds:					
Total Funds Brought Forward	12	74,873	172,194	247,067	351,046
Total Funds Carried Forward	12	65,266	140,746	206,012	247,067

All the revenue and operating results relate to the continuing operations of the charity.

The charity had no recognised gains or losses during the period other than those in the Statement of Financial Activities.

The notes on pages 18 to 26 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH

		2024	2023
		Total	Total
	Note	Funds	Funds
		£	£
Fixed Assets			
Intangible Asset	7	27,439	41,158
Total Fixed Assets		27,439	41,158
Current Assets			
Debtors	8,9	55,000	128,077
Cash at Bank and in Hand	8,10	177,869	177,596
Total Current Assets		232,869	305,673
Liabilities			
Creditors: Amounts Falling Due Within One Year	8,11	(54,296)	(99,764)
Total Liabilities		(54,296)	(99,764)
Net Current Assets		178,573	205,909
Total Net Assets		206,012	247,067
The Funds of the Charity			
Restricted Funds	12	140,746	172,194
Unrestricted Funds	12	65,266	74,873
Total Charity Funds		206,012	247,067

The notes on pages 18 to 26 form part of these financial statements.

These financial accounts were approved and authorised for signature by the Board of Trustees on 23 July 2024 and were signed on their behalf by:



Dr Fabian Richter
Trustee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	2023-2024 £	2022-2023 £
Net Income/(Expenditure) for the Financial Year		(41,055)	(103,979)
Adjustments for:			
Amortisation	7	13,719	13,719
(Increase)/Decrease in Debtors	9	73,077	(76,077)
Increase/(Decrease) in Creditors	11	(45,468)	91,964
Net Cash Generated by Operating Activities		273	(74,373)
Cash Flows from Investing Activities			
Purchase of Intangible Asset	7	-	(54,877)
		-	(54,877)
Change in Cash and Cash Equivalents During the Year		273	(129,250)
Cash and Cash Equivalents at the Beginning of the Year	10	177,596	306,846
Cash and Cash Equivalents at the End of the Year	10	177,869	177,596

The notes on pages 18 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Accounting Policies

a) General information

The Historic England Foundation was incorporated on 16 January 2017 and is a subsidiary undertaking of Historic England. It was registered as a charity on 14 May 2018. The charity provides grants to applicable bodies which meet the aims and objectives of the charity in line with its established Memorandum and Articles of Association.

The charity is a public benefit entity limited by guarantee without share capital and is incorporated in England. The registered office is The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH.

The financial statements are prepared on the historic cost basis and presented in British Pounds Sterling.

b) Statement of compliance

The financial statements have been prepared in accordance with 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) - 'Charities SORP' and the Companies Act 2006.

c) Basis of preparation – going concern

The financial statements are prepared on a going concern basis. The charity currently meets its financial obligations through receipt of funding from unrestricted grants from Historic England and is targeting an individual fundraising strategy to reduce this reliance.

After making enquiries of Historic England regarding receipt of ongoing unrestricted funding, the trustees have a reasonable expectation that the charity will have access to adequate resources to continue in operational existence for at least twelve months from the date the accounts were approved. The charity therefore adopts the going concern basis in preparing its financial statements on the basis that there are no material uncertainties about the charity's ability to continue to operate.

d) Accounting judgments and estimates

There are no critical judgments, estimates or assumptions present in these financial statements.

e) Revenue recognition

All revenue is generated from donations, legacies, grants and Gift Aid and is measured at the fair value of the consideration received or receivable. Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor, and the amount receivable can be measured with sufficient accuracy.

Gift Aid is recognised when the claim is made to HMRC.

Accrued income is recognised where a formal offer of funding has been communicated to HEF and terms and conditions have been met, but cash has not yet been received.

f) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are donations (plus any related Gift Aid) or grants which the donor has specified are to be solely used for particular purposes and/or at particular times.

Costs charged to restricted funds relate to activities undertaken to further the specific charitable purposes the fund was established to support. These costs include both direct and support costs associated with the activities undertaken by the restricted fund.

Support costs which can be so associated have been apportioned according to the number of transactions on restricted and unrestricted funds to the extent that restricted funds are available and do not go into deficit.

g) Expenditure recognition

Expenditure is accounted for on an accruals basis in line with the requirements of Charity SORP and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

The charity is not registered for VAT and as a result all expenditure is inclusive of input VAT incurred.

h) Grant making activities

Grants awarded, notified to the recipient and accepted are accounted for on an accruals basis in line with the requirements of Charity SORP and are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

i) Apportionment and allocation of costs

In accordance with the requirements of the Charities SORP, the charity has developed a model to apportion support costs across its main activities. The results of this can be found at Note 4.

Support costs are those functions that assist the work of the charity but are not directly attributable to raising funds or charitable activities. Support costs include finance, legal and governance costs that support the charity's charitable remit.

Support costs have been apportioned based on that activity's share of costs to the extent that restricted funds are available and do not go into deficit.

j) Taxation

Taxation expenses comprise current corporation tax recognised in the reporting period.

As the company is registered as a charity it is generally exempt from the requirement to pay corporation tax.

k) Fixed Assets

Fixed assets consist of The Historic England Foundation website. It is recognised on a historic cost basis with amortisation provided over 4 years with no residual value assumed.

Impairment reviews are carried out at the end of each reporting period in accordance with FRS 102 to ensure that the carrying value of the asset does not exceed its recoverable amount.

Amortisation is included in finance and administrative costs in note 3 and allocated with the other support costs as detailed in note 4.

l) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held on call or with maturities of less than three months.

m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity only holds non-complex financial instruments.

2 Income from Donations and Legacies

	2023-2024			2022-2023
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Donations	70	7,539	7,609	87,650
Legacies	-	-	-	70,489
Gift Aid	189	1,705	1,894	4,621
Total Donations & Legacies	259	9,244	9,503	162,760
Grants	55,000	345,743	400,743	1,461,681
Total Income	55,259	354,987	410,246	1,624,441

3 Support Costs

	2023-2024			2022-2023
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Audit Fee	12,000	-	12,000	8,520
Finance and Administrative	31,470	3,758	35,228	35,155
Total Support Costs	43,470	3,758	47,228	43,675

Details on the method of allocation and apportionment of costs between restricted and unrestricted funds are available at Note 1i).

The audit fee is £10,000 plus VAT.

Remuneration paid to auditors in respect of non-audit services in 2023-2024 was nil (2022-2023: nil).

4 Allocation of Support Costs

Details on the method of allocation and apportionment of support costs between activities are available at Note 1i).

a) Expenditure by Activity

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2024					
Raising Funds	-	21,396	-	2,500	23,896
Charitable Activity	382,677	-	-	44,728	427,405
Support Costs	-	20,899	26,329	(47,228)	-
Total Expenditure	382,677	42,295	26,329	-	451,301

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2023					
Raising Funds	-	15,634	-	405	16,039
Charitable Activity	1,669,111	-	-	43,270	1,712,381
Support Costs	-	20,677	22,998	(43,675)	-
Total Expenditure	1,669,111	36,311	22,998	-	1,728,420

b) Support Costs by Activity

	Governance £	Finance £	Total £
For the Year Ended 31 March 2024			
Raising Funds	635	1,865	2,500
Charitable Activities	11,365	33,363	44,728
Total Support Costs	12,000	35,228	47,228

	Governance £	Finance £	Total £
For the Year Ended 31 March 2023			
Raising Funds	79	326	405
Charitable Activities	8,441	34,829	43,270
Total Support Costs	8,520	35,155	43,675

5 Trustees' Remuneration

None of the trustees received any remuneration or any other benefits by any group or other entity during the period in respect of The Historic England Foundation.

6 Employee Benefits

The charity did not directly employ any staff during the accounting period. This means that no disclosure of staff receiving benefits of more than £60,000 is required. All staff engaged on charity business have a contract of employment with Historic England. The costs of these staff are included with overheads in the management charge from Historic England.

7 Intangible Asset

A full year of amortisation is provided in the year of acquisition and none in the year of disposal.

	Total £
Cost at 1 April 2023	54,877
At 31 March 2024	54,877
Amortisation at 1 April 2023	13,719
Charged in year	13,719
Amortisation at 31 March 2024	27,438
Carrying amount at 31 March 2023	41,158
Carrying amount at 31 March 2024	27,439

	Total £
Cost at 1 April 2022	-
Additions	54,877
At 31 March 2023	54,877
Amortisation at 1 April 2022	-
Charged in year	13,719
Amortisation at 31 March 2023	13,719
Carrying amount at 31 March 2023	41,158

8 Summary of Current Assets and Liabilities

	2023-2024			2022-2023
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Current Assets	92,123	140,746	232,869	305,673
Current Liabilities	(54,296)	-	(54,296)	(99,764)
Net Current Assets	37,827	140,746	178,573	205,909

9 Debtors

	2023-2024			2022-2023
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accrued Income	55,000	-	55,000	128,077
Total Debtors	55,000	-	55,000	128,077

10 Cash at Bank and in Hand

	2023-2024			2022-2023
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Cash at Bank	37,123	140,746	177,869	177,596
Total Cash	37,123	140,746	177,869	177,596

11 Creditors: Amounts Falling Due Within One Year

	2023-2024			2022-2023
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accruals and Deferred Income	54,296	-	54,296	99,764
Total Creditors	54,296	-	54,296	99,764

12 Reconciliation of Movement in Funds

	At 1 April 2023 £	Incoming Resources £	Outgoing Resources £	At 31 March 2024 £
Restricted Funds				
Apprenticeships	26,478	-	(26,478)	-
Archive	69,887	-	-	69,887
Emerging Talent	-	26,184	(26,184)	-
Fort Cumberland X-Ray	-	62,306	(62,306)	-
Heritage Building Skills	-	223,253	(223,253)	-
Heritage Construction	7,600	-	-	7,600
Historic England	9,792	-	-	9,792
Rejuvenate	-	34,000	(179)	33,821
Shrewsbury Flaxmill Maltings	38,437	9,244	(47,678)	3
Skills and Education	20,000	-	(357)	19,643
Total Restricted Funds	172,194	354,987	(386,435)	140,746
Unrestricted Funds				
General Fund	74,873	55,259	(64,866)	65,266
Total Unrestricted Funds	74,873	55,259	(64,866)	65,266
Total Funds	247,067	410,246	(451,301)	206,012

The purposes and restrictions of the material individual funds are described below. Outgoing resources above include both grants and support costs charged to restricted funds.

Apprenticeships

This fund is for The Historic England Foundation to pioneer the new heritage apprenticeship standards for the sector, setting best practice for recruitment and training and creating a new, more accessible entry route into the heritage workforce for a much more diverse talent pool of young people. This will enable us to help address critical skills shortages, working in partnership with a wide range of organisations to make the heritage sector more inclusive and sustainable long term.

A grant of £26,478 was made to Historic England during 2023-2024 from this fund (2022-2023: £98,900).

Emerging Talent Placements

In 2023-2024 a grant of £26,184 (2022-2023: £nil) was received from The Mercers' Company with the aim to improve diversity both in the Historic England workforce and in every aspect of the work they do.

Grants totalling £26,184 were made to Historic England during 2023-2024 from this fund.

Fort Cumberland X-Ray

In 2023-2024 a grant of £62,306 (2022-2023: £nil) was received from The Wolfson Foundation to enable the analysis of objects including those recovered from historic shipwrecks and archaeological sites.

A grant of £62,306 was made to Historic England during 2023-2024 from this fund.

Heritage Building Skills

In 2023-2024 grants totalling £273,253 (2022-2023: £1,334,477) were received from The Hamish Ogston Foundation to be used to fund an in-work training and apprenticeships programme that will help to ensure that the trade and craft skills needed to repair and maintain historic buildings are passed onto future generations.

Grants totalling £223,253 were made to Historic England during 2023-2024 from the grant received from The Hamish Ogston Foundation (2022-2023: £1,334,477).

The remaining £50,000 was returned to The Hamish Ogston Foundation.

Rejuvenate

In 2023-2024 a grant of £34,000 was received from the Benefact Trust (2022-2023: £5,000 from the Edward Vinson 1957 Charitable Settlement) restricted to researching the most effective ways to improve the lives of vulnerable young people with a particular view to increasing wellbeing through enhancing life opportunities, including to prevent involvement with the criminal justice system and to respond to the challenges of being in the criminal justice system, and reduce re-offending.

Shrewsbury Flaxmill Maltings

In 2023-2024 donations of £7,539 along with Gift Aid on donations of £1,705 were restricted to work undertaken at Shrewsbury Flaxmill Maltings (2022-2023: grants of £14,127; donations of £65,865 and Gift Aid on donations of £4,606).

Grants of £44,456 (2022-2023: £200,954) were awarded to Historic England during 2023-2024 in relation to this fund.

13 Related Party Transactions

Historic England is the sole member of the charity and is regarded as a related party. Grants of £382,677 (2022-2023: £1,669,111) were given to Historic England. Grant funding of £48,883 was returned to the charity by Historic England due to a miscalculation in the previous year, leading to an over-payment. Historic England invoiced the charity in respect of shared services of £42,295 (2022-2023: £36,310 and website build costs of £54,877) which was unpaid at the end of the financial year. Historic England also provided capacity building grant funding to The Historic England Foundation of £55,000 (2022-2023: £108,077) which was unpaid at the end of the financial year. £108,077 of capacity building grant funding was received during 2023-2024 from Historic England relating to the previous financial year.

During the year, the charity had the following related party transactions which require disclosure:

- Sir Laurie Magnus, former trustee of The Historic England Foundation and former commissioner of Historic England, gave a donation of £6,000 towards Shrewsbury Flaxmill Maltings.

No other trustees or other related parties have undertaken any material related party transactions with the charity during the year.

14 Controlling Parties

The parent entity and ultimate controlling party of The Historic England Foundation is Historic England (Historic Buildings and Monuments Commission for England) which is the public body that helps people care for, enjoy and celebrate England's spectacular historic environment which they achieve by:

- ▶ Championing historic places;
- ▶ Identifying and protecting our heritage;
- ▶ Supporting change;
- ▶ Understanding historic places; and
- ▶ Providing expertise at a local level.

Historic England as sole member of the charity and under the charity's articles of association has the power to appoint and remove trustees.

Copies of the consolidated accounts are available to the public and may be obtained from www.historicengland.org.uk.

15 Events after the Reporting Period

There were no events after the reporting period to be declared in these accounts. The accounts were authorised for issue on the date the Independent Auditor's Report was signed.

THE HISTORIC ENGLAND FOUNDATION

England & Wales - Charity number 1178368

Accounts

THE HISTORIC ENGLAND FOUNDATION
(A charitable company limited by guarantee without share capital)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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TRUSTEES' REPORT

The directors, who are also trustees, present their report and the audited financial statements for the year ended 31 March 2023. The Trustees' Report also contains the information required of the directors by company law.

Trustees

The trustees of the charity who were in office during the period and up to the date of signing the financial statements were:

Jay Barrymore
Peter Beckett
Fiona Kirk (resigned 15 January 2023)
David Laing (from 1 January 2023)
Ellen Leslie
Sir Laurie Magnus
Matthew O'Connell
Dr Fabian Richter
Satwinder Singh
Samuel Swire

Objectives and activities

The objects of the charity are, for the benefit of the public:

- ▶ To promote the conservation, protection and improvement of heritage assets situated in England;
- ▶ To advance education by promoting research into, and furthering the public's knowledge and enjoyment of, heritage assets situated in England and their conservation, in particular but not exclusively without limitation by supporting the work of Historic England; and
- ▶ To further such other exclusively charitable purposes incidental to the above objects as the trustees see fit.

To achieve its aims, the charity seeks to secure grants and donations from charitable trusts and foundations, as well as individuals. It then distributes these as grants to other bodies who operate in line with the charity's objects and with its grant-making policy which states that:

- ▶ The trustees will only fund work that demonstrates heritage merit and applicants are expected to provide evidence that the heritage asset(s) that are the subject of the application are of sufficient historical or architectural significance to merit preservation;
- ▶ The trustees may on occasion fund applications for preservation or advancement of education of heritage assets that have a connection with a particular person or event, where that person or event is of sufficient educational, historical or significant interest or where a significant part of the surviving fabric relates to the period during which the person occupied it, or in which the event took place;
- ▶ The trustees will only fund the work of organisations operating in England;
- ▶ The trustees prefer to contribute to specific appeals and projects rather than to contribute to general running costs or expenditure of an organisation or charity;
- ▶ The trustees will not normally approve any grant without seeing the most recently published annual report and accounts of the organisation that they intend to benefit;
- ▶ Grants from the charity are restricted funds and may only be used towards the project and costs outlined in the submitted application, or as subsequently agreed in writing; and
- ▶ Grants from the charity must advance the education of the public and applicants are expected to demonstrate how this will be achieved.

The trustees have had regard to Charity Commission guidance on public benefit in shaping the objectives of the charity and planning its activities.

TRUSTEES' REPORT (continued)

Achievements and performance

Financial achievements are set out within the financial review.

Fundraising targets were approved by trustees at the beginning of the financial year, with income recorded against the following programme areas: Learning, Skills & Engagement; Heritage at Risk; Archive; Technical and Scientific; and Other. Although income was lower than originally forecast, achieving a total of £1,624,441 compared to the target of £2,018,275, income for the Hamish Ogston Foundation Heritage Building Skills Programme and Donations and Legacies both performed well. Income across other areas was impacted due to delays in, and changes to, programme development.

Fundraising

The charity does not employ any staff. All fundraising activity is outsourced to the Partnerships and Philanthropy Team within Historic England, under the terms of a Shared Services Agreement, and their costs are recharged on a full cost basis to the charity. The trustees direct the work of the Historic England Partnerships and Philanthropy Team in order to implement the strategy agreed by the trustees, and, particularly, to:

- ▶ Generate fundraised income in order to support projects that meet the objects of the charity and which have been approved by the trustees;
- ▶ Build up unrestricted income for the charity for allocation by the trustees in accordance with its grant-making policy.

The activities of the Partnerships and Philanthropy Team are monitored and directed by the trustees who review and approve the Fundraising Strategy.

No third-party professional fundraisers or commercial participators have been engaged by the charity. No complaints have been received by the charity relating to its fundraising activities and the charity does not direct mail or e-mail members of the general public for the purposes of fundraising.

Financial review

Financial position

The charity has had a successful fundraising year, securing restricted funding of £1,569,441 with a further £55,000 of unrestricted funding.

Grants have been awarded to Historic England for the following projects:

- ▶ £98,900 for apprenticeships
- ▶ £1,338,257 for Heritage Building Skills
- ▶ £31,000 for the Rejuvenate wellbeing pilot and
- ▶ £200,954 for Shrewsbury Flaxmill Maltings.

Further information is available in Note 12. Outgoing resources in Note 12 include grants as well as support costs charged to restricted funds.

At the end of the year, the charity has restricted funds of £172,194 and unrestricted funds of £74,873.

TRUSTEES' REPORT (continued)

During the year, the charity recognised grants and donations including:

- ▶ £3,000 from the LG Harris Trust for use at Shrewsbury Flaxmill Maltings
- ▶ £500 from the Ian Askew Charitable Trust for use at Shrewsbury Flaxmill Maltings
- ▶ £53,200 from Historic England for unrestricted purposes
- ▶ £54,877 from Historic England for the development of The Historic England Foundation website
- ▶ £25,000 from The Walker Trust for use at Shrewsbury Flaxmill Maltings
- ▶ £5,000 from the Edward Vinson 1957 Charity Settlement for Rejuvenate
- ▶ £11,127 from The Pilgrim Trust for use at Shrewsbury Flaxmill Maltings
- ▶ £15,000 from the Kirby Laing Foundation for us at Shrewsbury Flaxmill Maltings
- ▶ £20,000 from Lord Leverhulme's Charitable Trust for training in traditional skills
- ▶ £1,000 from the Alan & Karen Grieve Charitable Trust for unrestricted purposes
- ▶ £1,334,477 from The Hamish Ogston Foundation for Heritage Construction Training

The charity has also recognised other donations and legacies from companies and individuals totalling £101,260, including Gift Aid on individual donations.

An explanation of the restrictions on these grants and donations and how they support the key objectives of the charity is contained in Note 12.

We would like to extend our thanks all those trusts, individuals and companies who have supported The Historic England Foundation during the last financial year.

Principal risks and uncertainties

The key risks (and mitigations) facing the charity are as follows:

- ▶ Inability to build up unrestricted income to enable financial sustainability (ensure Historic England Partnerships and Philanthropy Team is sufficiently resourced and skilled to build up unrestricted individual giving programme);
- ▶ Trustee body lacks relevant skills and diversity of experience (carry out a regular skills audit to inform training requirements and to inform and support future trustee recruitment);
- ▶ Non-compliance with General Data Protection Regulation (GDPR) and Privacy and Electronic Communications Regulations (ensure approach to fundraising is compliant with all data protection legislation through appointed Data Protection Officer and regular reviews by the Historic England Partnerships and Philanthropy Team of its policies and processes).

Reserves policy

The trustees have determined that holding reserves is unnecessary, because expenditure for the charity is easily controlled as there are no directly employed staff. Fixed and staff costs represent the largest single cost to the charity. Therefore, in the event of a failure to secure sufficient unrestricted funding, the work of the charity could be reduced. The trustees are content that the charity will continue to operate as a going concern for at least the twelve months from the date on which the report and financial statements have been signed, as per Note 1c on page 18.

Plans for future periods

The trustees reviewed the forward business plan in the 2022-23 financial year and has set new targets for the period 2023-2026. The new forward business plan outlines how the charity intends to build up income in support of its grant-making activities:

- ▶ Individuals capable of giving both at higher levels financially and in their capacity to influence others to support will be cultivated by the trustees and the Historic England Partnerships and Philanthropy Team, under the terms of the Shared Resources Agreement. Major donors may be drawn from the UK or from international audiences. Approaches will be made on a one-to-one basis and are likely to provide restricted gifts in support of pre-agreed priority projects.

TRUSTEES' REPORT (continued)

- ▶ Under the terms of the Shared Resources Agreement the Historic England Partnerships and Philanthropy Team, supported by the Trustees as required, will lead on approaches to trusts and foundations for restricted gifts to pre-agreed priority projects, developing a case for support and a pipeline of prospects for approval by the trustees.

Income generated from the general public may be restricted to specific programmes of activity or be unrestricted, in which case it will be allocated by trustees in accordance with the charity's grant-making policy. A fundraising case for support and mid-level giving programme will be developed to secure support and long-term engagement from a wider range of individuals and increase levels of unrestricted income. A legacy marketing programme will also be developed, including awareness-building of the role legacies can play in developing income for The Historic England Foundation, the provision of information on how to leave a legacy, the direct ask to an individual to leave a legacy and the stewardship of legacy pledgers.

Individuals are able to donate via The Historic England Foundation website, enabling contributions, of any size, to contribute to a range of programme areas in delivery by Historic England. These online donations are automatically restricted to the programme area selected, however, there is also the option to make unrestricted donations, for Historic England to use 'where the need is greatest'.

Structure, governance and management*Structure*

The charity does not directly employ staff and hence does not have an organisational structure in the traditional sense. It operates as a subsidiary of Historic England, which is the sole member of the charity.

The charity is limited by guarantee without share capital, incorporated on 16 January 2017, and is a subsidiary undertaking of Historic England. Its governing document is its Memorandum and Articles of Association. On 14 May 2018, The Historic England Foundation was registered as a charity with the Charity Commission for England and Wales.

Governance

The trustees, for the purposes of company law, are also its directors. The trustees consist of at least three individuals, of whom no more than a minority shall be Historic England commissioners or Historic England employees, provided that there shall always be at least a quorum of trustees who are not Historic England commissioners or Historic England employees.

The trustees elect a Chair from among their number (provided such person is not an Historic England Commissioner or an Historic England employee). The Chair holds office for four years or for as long as they remain a trustee, whichever period is shorter, and will be eligible for re-appointment at the end of their first term of office.

Three full trustee meetings have been held in the financial year and one meeting at the end of the calendar year to approve the 2021-22 Accounts. This meeting was attended by a smaller number of Trustees, along with National Audit Office and Historic England Finance colleagues and was quorate. Attendance at regular Trustee meetings throughout the year has been very strong with only a very small number of apologies received.

TRUSTEES' REPORT (continued)*Management*

The day-to-day management and administration of the charity's operations is delegated to specific Historic England staff within the Partnerships and Philanthropy, and Finance Teams. The service provided is paid for by the charity under the arrangement between the two organisations. Strategic decisions are taken by the trustee board following discussions at board meetings and based upon the recommendations of the Partnerships and Philanthropy Team.

Details of the related party transactions and group relationships are contained within Notes 13 and 14 respectively.

Trustee recruitment and induction

During the year, Fiona Kirk retired after serving two terms as a HEF Trustee and David Laing was appointed for a term of four years. Fabian Richter was nominated and elected by trustees, and confirmed by Historic England, to serve as Chair of the Foundation.

Trustees represented the charity at events and visits during the year, including Kensington Palace Orangery, where guests were hosted by Historic Royal Palaces and treated to a tour of the orangery and demonstrations from Emma Simpson, Brickwork Conservator, and one of the apprentices she has supported, and the opening event at Shrewsbury Flaxmill Maltings. This was delayed due to the death of Queen Elizabeth II and hosted the Heritage Minister Lord Parkinson. In March, trustees hosted a visit to the HE Archive at Swindon for prospective funders and donors and this was followed by the spring trustee meeting.

TRUSTEES' REPORT (continued)**Reference and administrative details**

Registered Office:	The Engine House Fire Fly Avenue Swindon Wiltshire SN2 2EH
Charity Registration Number:	1178368
Company Registration Number:	10564101
Trustees:	Jay Barrymore Peter Beckett Fiona Kirk (resigned 15 January 2023) David Laing (from 1 January 2023) Ellen Leslie Sir Laurie Magnus Matthew O'Connell Dr Fabian Richter Satwinder Singh Samuel Swire
Auditors:	Comptroller and Auditor General National Audit Office 157-159 Buckingham Palace Road London SW1W 9SP
Bankers:	HSBC Holdings plc Keith House 133 Regent Street London W1B 4HX

Exemptions from disclosure

The charity is entitled to the small companies' exemption in relation to the preparation of a Strategic Report under section 414A of the Companies Act 2006.

Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

TRUSTEES' REPORT (continued)

Statement of trustees' responsibilities

The trustees (who are also the directors of The Historic England Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the trustees to prepare financial statements for each financial year. Under these laws, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and Charities Act 2011. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

As far as each of the trustees is aware:

- ▶ there is no relevant audit information of which the charitable company's auditor is unaware, and
- ▶ they have taken all the steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at a Board meeting.

TRUSTEES' REPORT (continued)

Other matters

The accounts have been audited by the Comptroller and Auditor General, National Audit Office since the inception of the company.

Audit fees charged for the year are reported in note 3.

These financial accounts were authorised for issue by the Board of Trustees and were signed on their behalf by:



Dr Fabian Richter
Trustee
25th July 2023

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION

Opinion on financial statements

I have audited the financial statements of The Historic England Foundation ('the Company') for the year ended 31 March 2023 under the Companies Act 2006 which comprise the Company's:

- Balance Sheet as at 31 March 2023;
- Statement of Financial Activities (Including Income & Expenditure Account);
- Statement of Cash Flows for the year then ended; and
- the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and 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 Companies Act 2006; and
- have been properly prepared in accordance with the Charities Act 2011 and the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and applicable law. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (CONTINUED)

Other Information

The other information comprises the information included in the Trustees' Report but does not include the financial statements and my auditor's report thereon. The Trustees are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Company from whom the auditor determines it necessary to obtain audit evidence.
- preparing financial statements, which give a true and fair view, in accordance with the Companies Act 2006;

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

- ensuring such internal controls are in place as Trustees determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- preparing the Annual Report, in accordance with the Companies Act 2006; and
- assessing the 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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK)

My 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 that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Company's accounting policies;
- inquired of management, the Company's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Company's policies and procedures on:
 - o identifying, evaluating and complying with laws and regulations;
 - o detecting and responding to the risks of fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Historic England Foundation's controls relating to the Company's compliance with the Companies Act 2006 and the Charities Act 2011;
- inquired of management, the Company's head of internal audit and those charged with governance whether:
 - o they were aware of any instances of non-compliance with laws and regulations; and
 - o they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

As a result of these procedures, I considered the opportunities and incentives that may exist within the Company for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the Company's framework of authority and other legal and regulatory frameworks in which the Company operates, I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations I considered in this context included Companies Act 2006 and the Charities Act 2011.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and those charged with governance concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Alexander Macnab (Senior Statutory Auditor)
18 August 2023

For and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH

		2022-2023			2021-2022
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
	Note				
Income From:					
Donations and Legacies	2	1,800	160,960	162,760	97,547
Grants	2	53,200	1,408,481	1,461,681	396,530
Total		55,000	1,569,441	1,624,441	494,077
Expenditure On:					
Raising Funds	3,4,5	15,946	93	16,039	15,298
Charitable Activity	3,4,5	33,325	1,679,056	1,712,381	560,079
Total		49,271	1,679,149	1,728,420	575,377
Net Income		5,729	(109,708)	(103,979)	(81,300)
Transfers Between Funds		49,365	(49,365)	-	-
Reconciliation of Funds:					
Total Funds Brought Forward	12	19,779	331,267	351,046	432,346
Total Funds Carried Forward	12	74,873	172,194	247,067	351,046

All the revenue and operating results relate to the continuing operations of the charity.

The charity had no recognised gains or losses during the period other than those in the Statement of Financial Activities.

The notes on pages 18 to 26 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH

		2023	2022
	Note	Total Funds £	Total Funds £
Non-Current Assets			
Intangible Asset	7	41,158	-
Total Non-Current Assets		41,158	-
Current Assets			
Debtors	8,9	128,077	52,000
Cash at Bank and in Hand	8,10	177,596	306,846
Total Current Assets		305,673	358,846
Current Liabilities			
Creditors: Amounts Falling Due Within One Year	8,11	(99,764)	(7,800)
Total Current Liabilities		(99,764)	(7,800)
Total Net Assets		247,067	351,046
The Funds of the Charity			
Restricted Funds	12	172,194	331,267
Unrestricted Funds	12	74,873	19,779
Total Funds		247,067	351,046

The notes on pages 18 to 26 form part of these financial statements.

These financial accounts were approved and authorised for signature by the Board of Trustees on 25th July 2023 and were signed on their behalf by:



Dr Fabian Richter
Trustee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH

	Note	2022-2023 £	2021-2022 £
Net Income for the Financial Year		(103,979)	(81,300)
Adjustments for:			
Depreciation	7	13,719	-
(Increase)/Decrease in Debtors	9	(76,077)	(52,000)
Increase/(Decrease) in Creditors	11	91,964	(25,045)
Net Cash Generated by Operating Activities		(74,373)	(158,345)
Cash Flows from Investing Activities			
Purchase of Intangible Asset	7	(54,877)	-
		(54,877)	-
Cash and Cash Equivalents at the Beginning of the Year	10	306,846	465,191
Change in Cash and Cash Equivalents During the Year		(129,250)	(158,345)
Cash and Cash Equivalents at the End of the Year	10	177,596	306,846

The notes on pages 18 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Accounting Policies

a) General information

The Historic England Foundation was incorporated on 16 January 2017 and is a subsidiary undertaking of Historic England. It was registered as a charity on 14 May 2018. The charity provides grants to applicable bodies which meet the aims and objectives of the charity in line with its established Memorandum and Articles of Association.

The charity is a public benefit entity limited by guarantee without share capital and is incorporated in England. The registered office is The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH.

The financial statements are prepared on the historic cost basis and presented in British Pounds Sterling.

b) Statement of compliance

The financial statements have been prepared in accordance with 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) - 'Charities SORP' and the Companies Act 2006.

c) Basis of preparation – going concern

The financial statements are prepared on a going concern basis. The charity currently meets its financial obligations through receipt of funding from unrestricted grants from Historic England and is targeting an individual fundraising strategy to reduce this reliance.

After making enquiries of Historic England regarding receipt of ongoing unrestricted funding, the trustees have a reasonable expectation that the charity will have access to adequate resources to continue in operational existence for at least twelve months from the date the accounts were approved. The charity therefore adopts the going concern basis in preparing its financial statements on the basis that there are no material uncertainties about the charity's ability to continue to operate.

d) Accounting judgments and estimates

There are no critical judgments, estimates or assumptions present in these financial statements.

e) Revenue recognition

All revenue is generated from donations, legacies, grants and Gift Aid and is measured at the fair value of the consideration received or receivable. Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.

Legacies are recognised as income when there has been grant of probate, there are sufficient assets in the estate, evidence of entitlement has been received from the executor, and the amount receivable can be measured with sufficient accuracy.

Gift Aid is recognised when the claim is made to HMRC.

Accrued income is recognised where a formal offer of funding has been communicated to HEF and terms and conditions have been met, but cash has not yet been received.

NOTES TO THE FINANCIAL STATEMENTS

f) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are donations (plus any related Gift Aid) or grants which the donor has specified are to be solely used for particular purposes and/or at particular times.

Costs charged to restricted funds relate to activities undertaken to further the specific charitable purposes the fund was established to support. These costs include both direct and support costs associated with the activities undertaken by the restricted fund.

Support costs which can be so associated have been apportioned according to the number of transactions on restricted and unrestricted funds.

g) Expenditure recognition

Expenditure is accounted for on an accruals basis in line with the requirements of Charity SORP and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

The charity is not registered for VAT and as a result all expenditure is inclusive of input VAT incurred.

h) Grant making activities

Grants awarded, notified to the recipient and accepted are accounted for on an accruals basis in line with the requirements of Charity SORP and are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

i) Apportionment and allocation of costs

In accordance with the requirements of the Charities SORP, the charity has developed a model to apportion support costs across its main activities. The results of this can be found at Note 4.

Support costs are those functions that assist the work of the charity but are not directly attributable to raising funds or charitable activities. Support costs include finance, legal and governance costs that support the charity's charitable remit.

Support costs have either been apportioned based on that activity's share of costs or pro-rated according to the expenditure.

j) Taxation

Taxation expenses comprise current corporation tax recognised in the reporting period.

As the company is registered as a charity it is generally exempt from the requirement to pay corporation tax.

k) Non-Current Assets

Non-current assets consist of The Historic England Foundation website. It is recognised on a historic cost basis with amortisation provided over 4 years with no residual value assumed.

NOTES TO THE FINANCIAL STATEMENTS

Impairment reviews are carried out at the end of each reporting period in accordance with FRS102 to ensure that the carrying value of the asset does not exceed its recoverable amount.

Amortisation is included in finance and administrative costs in note 3 and allocated with the other support costs as detailed in note 4.

l) Cash at bank and in hand

Cash at bank and in hand include cash in hand, deposits held on call or with maturities of less than three months.

m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity only holds non-complex financial instruments.

2 Income from Donations and Legacies

	2022-2023			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Donations	1,785	85,865	87,650	85,278
Grants	53,200	1,408,481	1,461,681	396,530
Gift Aid	15	4,606	4,621	12,269
Legacies	-	70,489	70,489	-
Total Income	55,000	1,569,441	1,624,441	494,077

3 Support Costs

	2022-2023			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Audit Fee	8,520	-	8,520	7,800
Finance and Administrative	25,117	10,038	35,155	28,011
Total Support Costs	33,637	10,038	43,675	35,811

Details on the method of allocation and apportionment of costs between restricted and unrestricted funds are available at Note 1i).

Remuneration paid to auditors in respect of non-audit services in 2022-2023 was nil (2021-2022: nil).

NOTES TO THE FINANCIAL STATEMENTS**4 Allocation of Support Costs**

Details on the method of allocation and apportionment of support costs between activities are available at Note 1i).

a) Expenditure by Activity

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2023					
Raising Funds	-	15,634	-	405	16,039
Charitable Activity	1,669,111	-	-	43,270	1,712,381
Support Costs	-	20,677	22,998	(43,675)	-
Total Expenditure	1,669,111	36,311	22,998	-	1,728,420

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2022					
Raising Funds	-	14,346	-	952	15,298
Charitable Activity	525,220	-	-	34,859	560,079
Support Costs	-	27,152	8,659	(35,811)	-
Total Expenditure	525,220	41,498	8,659	-	575,377

b) Support Costs by Activity

	Governance £	Finance £	Total £
For the Year Ended 31 March 2023			
Raising Funds	79	326	405
Charitable Activities	8,441	34,829	43,270
Total Support Costs	8,520	35,155	43,675

	Governance £	Finance £	Total £
For the Year Ended 31 March 2022			
Raising Funds	207	745	952
Charitable Activities	7,593	27,266	34,859
Total Support Costs	7,800	28,011	35,811

NOTES TO THE FINANCIAL STATEMENTS**5 Trustees' Remuneration**

None of the trustees received any remuneration or any other benefits by any group or other entity during the period in respect of The Historic England Foundation.

One trustee had £54 of travel expenses reimbursed by the charity during the financial year.

6 Employee Benefits

The charity did not directly employ any staff during the accounting period. This means that no disclosure of staff receiving benefits of more than £60,000 is required. All staff engaged on charity business have a contract of employment with Historic England. The costs of these staff are included with overheads in the management charge from Historic England.

7 Intangible Asset

A full year of amortisation is provided in the year of acquisition and none in the year of disposal.

	Total £
Cost at 1 April 2022	-
Additions	54,877
At 31 March 2023	54,877
Amortisation at 1 April 2022	-
Charged in year	13,719
Amortisation at 31 March 2023	13,719
Carrying amount at 31 March 2023	41,158

8 Summary of Current Assets and Liabilities

	2022-2023			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Current Assets	78,600	227,073	305,673	358,846
Current Liabilities	(99,764)	-	(99,764)	(7,800)
Net Current Assets	(21,164)	227,073	205,909	351,046

NOTES TO THE FINANCIAL STATEMENTS**9 Debtors**

	2022-2023			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accrued Income	53,200	74,877	128,077	52,000
Total Debtors	53,200	74,877	128,077	52,000

10 Cash at Bank and in Hand

	2022-2023			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Cash at Bank	25,400	152,196	177,596	306,846

11 Creditors: Amounts Falling Due Within One Year

	2022-2023			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accrued Expenditure	99,764	-	99,764	7,800
Total Creditors	99,764	-	99,764	7,800

NOTES TO THE FINANCIAL STATEMENTS**12 Reconciliation of Movement in Funds**

	At 1 April 2022 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 31 March 2023 £
Restricted Funds					
Apprenticeships	125,579	-	(99,101)	-	26,478
Archive	-	70,489	(602)	-	69,887
Heritage Building Skills	1,376	1,334,477	(1,339,662)	3,809	-
Heritage Construction	7,600	-	-	-	7,600
Historic England	9,792	-	-	-	9,792
Rejuvenate	24,698	5,000	(31,401)	1,703	-
Shrewsbury Flaxmill Maltings	162,222	84,598	(208,383)	-	38,437
Skills and Education	-	20,000	-	-	20,000
Website	-	54,877	-	(54,877)	-
Total Restricted Funds	331,267	1,569,441	(1,679,149)	(49,365)	172,194
Unrestricted Funds					
General Fund	19,779	55,000	(49,271)	49,365	74,873
Total Unrestricted Funds	19,779	55,000	(49,271)	49,365	74,873
Total Funds	351,046	1,624,441	(1,728,420)	-	247,067

The purposes and restrictions of the material individual funds are described below. Outgoing resources above include both grants and support costs charged to restricted funds.

Apprenticeships

This fund is for The Historic England Foundation to pioneer the new heritage apprenticeship standards for the sector, setting best practice for recruitment and training and creating a new, more accessible entry route into the heritage workforce for a much more diverse talent pool of young people. This will enable us to help address critical skills shortages, working in partnership with a wide range of organisations to make the heritage sector more inclusive and sustainable long term.

A grant of £98,900 was made to Historic England during 2022-23 from this fund.

Archive

In 2022-23 a legacy of £70,489 was received from C.J. Neaverson to support the work of the Historic England Archive.

Heritage Building Skills

In 2022-23 grants totalling £1,334,477 were received from The Hamish Ogston Foundation to be used to fund an in-work training and apprenticeships programme that will help to ensure that the trade and craft skills needed to repair and maintain historic buildings are passed onto future generations.

Grants totalling £1,334,477 were made to Historic England during 2022-23 from the grant received from The Hamish Ogston Foundation.

A grant of £3,780 was also paid to Historic England to fund a summer school at Wentworth Woodhouse.

NOTES TO THE FINANCIAL STATEMENTS

Rejuvenate

In 2022-23 a grant of £5,000 was received from the Edward Vinson 1957 Charitable Settlement restricted to researching the most effective ways to improve the lives of vulnerable young people with a particular view to increasing wellbeing through enhancing life opportunities, including to prevent involvement with the criminal justice system and to respond to the challenges of being in the criminal justice system, and reduce re-offending.

A grant of £31,000 was made to Historic England during 2022-23 from this fund.

Shrewsbury Flaxmill Maltings

In 2022-23 a grant of £11,127 from Pilgrim Trust, a grant of £3,000 from L G Harris Trust and donations of £65,865 along with Gift Aid on donations of £4,606 received in the year are restricted to work undertaken at Shrewsbury Flaxmill Maltings

Grants of £200,954 were awarded to Historic England in year in relation to Shrewsbury Flaxmill Maltings.

Skills and Education

In 2022-23 a grant of £20,000 from Lord Leverhulme's Charitable Trust was recognised restricted to training in traditional skills.

Website

A grant of £54,877 was received from Historic England in 2022-23 for the development of The Historic England Foundation website.

These funds were transferred to unrestricted funds to purchase the website.

13 Related Party Transactions

Historic England is the sole member of the charity and is regarded as a related party. Grants of £1,669,111 were given to Historic England. Historic England invoiced the charity in respect of shared services of £36,310 and website build costs of £54,877 which were both unpaid at the end of the financial year. Historic England also provided capacity building grant funding to The Historic England Foundation of £108,077 which was unpaid at the end of the financial year. £52,000 of capacity building grant funding was paid related to the last financial year.

During the year, the charity had the following related party transactions which require disclosure:

- Ben Derbyshire, commissioner of Historic England, is a member of the National House Building Council (NHBC). NHBC gave a donation of £500 towards Shrewsbury Flaxmill Maltings.
- Fiona Kirk, trustee, gave an unrestricted donation of £750.
- David Laing, trustee, is also a trustee of the David Laing Foundation which gave a donation of £2,500 towards Shrewsbury Flaxmill Maltings and of the Kirby Laing Foundation which gave a donation of £15,000 towards Shrewsbury Flaxmill Maltings.
- The sister of Sir Laurie Magnus, trustee of The Historic England Foundation and commissioner of Historic England, gave a donation of £500 towards Shrewsbury Flaxmill Maltings.
- Dr Fabian Richter, trustee, gave a donation of £2,500 towards Shrewsbury Flaxmill Maltings.
- Samuel Swire, trustee, gave a donation of £2,500 towards Shrewsbury Flaxmill Maltings.

No other trustees or other related parties have undertaken any material related party transactions with the charity during the year.

NOTES TO THE FINANCIAL STATEMENTS

14 Controlling Parties

The parent entity and ultimate controlling party of The Historic England Foundation is Historic England (Historic Buildings and Monuments Commission for England) which is the public body that helps people care for, enjoy and celebrate England's spectacular historic environment which they achieve by:

- ▶ Championing historic places;
- ▶ Identifying and protecting our heritage;
- ▶ Supporting change;
- ▶ Understanding historic places; and
- ▶ Providing expertise at a local level.

Historic England as sole member of the charity and under the charity's articles of association has the power to appoint and remove trustees.

Copies of the consolidated accounts are available to the public and may be obtained from www.historicengland.org.uk.

15 Events after the Reporting Period

There were no events after the reporting period to be declared in these accounts. The accounts were authorised for issue on the date the Independent Auditor's Report was signed.

THE HISTORIC ENGLAND FOUNDATION

England & Wales - Charity number 1178368

Accounts

THE HISTORIC ENGLAND FOUNDATION
(A charitable company limited by guarantee without share capital)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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TRUSTEES' REPORT

The directors, who are also trustees, present their report and the audited financial statements for the year ended 31 March 2022. The Trustees' Report also contains the information required of the directors by company law.

Trustees

The trustees of the charity who were in office during the period and up to the date of signing the financial statements were:

Jay Barrymore
Peter Beckett
Fiona Kirk
Ellen Leslie (from 16 February 2022)
Sir Laurie Magnus
Matthew O'Connell
Dr Fabian Richter
Satwinder Singh (from 16 February 2022)
Samuel Swire (from 16 February 2022)

Objectives and activities

The objects of the charity are, for the benefit of the public:

- ▶ To promote the conservation, protection and improvement of heritage assets situated in England;
- ▶ To advance education by promoting research into, and furthering the public's knowledge and enjoyment of, heritage assets situated in England and their conservation, in particular but not exclusively without limitation by supporting the work of Historic England; and
- ▶ To further such other exclusively charitable purposes incidental to the above objects as the trustees see fit.

To achieve its aims, the charity seeks to secure grants and donations from charitable trusts and foundations, as well as individuals. It then distributes these as grants to other bodies who operate in line with the charity's objects and with its grant-making policy which states that:

- ▶ The trustees will only fund work that demonstrates heritage merit and applicants are expected to provide evidence that the heritage asset(s) that are the subject of the application are of sufficient historical or architectural significance to merit preservation;
- ▶ The trustees may on occasion fund applications for preservation or advancement of education of heritage assets that have a connection with a particular person or event, where that person or event is of sufficient educational, historical or significant interest or where a significant part of the surviving fabric relates to the period during which the person occupied it, or in which the event took place;
- ▶ The trustees will only fund the work of organisations operating in England;
- ▶ The trustees prefer to contribute to specific appeals and projects rather than to contribute to general running costs or expenditure of an organisation or charity;
- ▶ The trustees will not normally approve any grant without seeing the most recently published annual report and accounts of the organisation that they intend to benefit;
- ▶ Grants from the charity are restricted funds and may only be used towards the project and costs outlined in the submitted application, or as subsequently agreed in writing; and
- ▶ Grants from the charity must advance the education of the public and applicants are expected to demonstrate how this will be achieved.

The trustees have had regard to Charity Commission guidance on public benefit in shaping the objectives of the charity and planning its activities.

TRUSTEES' REPORT (continued)

Achievements and performance

Financial achievements are set out within the financial review.

Fundraising targets were carried forward for high net worth individuals (£50,000) and trusts and foundations (£300,000) in the current financial year. The targets agreed by trustees in the current financial year have been exceeded for trusts and foundations, however, fundraising from individuals has been significantly impacted by the global pandemic and periods of national lockdown.

Two full trustee meetings have been held in the financial year and one comprehensive update provided to trustees during the first national lockdown. Six trustees were in attendance at the September and February meetings, both of which were held remotely. The relationship between the trustees and Historic England staff providing shared resource is strong.

Fundraising

The charity does not employ any staff. All fundraising activity is outsourced to the Partnerships and Philanthropy Team within Historic England, under the terms of a Shared Services Agreement, and their costs are recharged on a full cost basis to the charity. The trustees direct the work of the Historic England Partnerships and Philanthropy Team in order to implement the strategy agreed by the trustees, and, particularly, to:

- ▶ Generate fundraised income in order to support projects that meet the objects of the charity and which have been approved by the trustees;
- ▶ Build up unrestricted income for the charity for allocation by the trustees in accordance with its grant-making policy.

The activities of the Partnerships and Philanthropy Team are monitored and directed by the trustees who review and approve the Fundraising Strategy.

No third-party professional fundraisers or commercial participators have been engaged by the charity. No complaints have been received by the charity relating to its fundraising activities and the charity does not direct mail or e-mail members of the general public for the purposes of fundraising.

Financial review

Financial position

The charity has had a successful fundraising year, securing restricted funding of £441,077 with a further £53,000 of unrestricted funding.

Grants have been awarded to Historic England for the following projects:

- ▶ £46,350 for apprenticeships;
- ▶ £153,870 for Heritage Building Skills; and
- ▶ £325,000 for Shrewsbury Flax Mill.

Further information is available in Note 12. Outgoing resources in Note 12 include grants as well as support costs charged to restricted funds.

At the end of the year, the charity has restricted funds of £331,267 and unrestricted funds of £19,779.

The achievement of charitable status in May 2018 has provided the charity the opportunity to seek support from a variety of organisations and individuals, resulting in a significant increase in income this year.

TRUSTEES' REPORT (continued)

During the year, the charity secured grants of:

- ▶ £46,350 from Allchurches Trust for use on apprenticeships;
- ▶ £100,000 from The Foyle Foundation for use at Shrewsbury Flax Mill;
- ▶ £5,000 from L G Harris Trust for use at Shrewsbury Flax Mill;
- ▶ £14,300 from The Hobson Charity
- ▶ £52,000 from Historic England for unrestricted purposes;
- ▶ £25,000 from The Swire Charitable Trust for Rejuvenate;
- ▶ £153,870 from The Hamish Ogston Foundation for Heritage Construction Training.

The charity has also secured donations from companies and individuals totalling £97,547, including gift aid on individual donations.

An explanation of the restrictions on these grants and donations and how they support the key objectives of the charity is contained in Note 12.

We would like to extend our thanks all those trusts, individuals and companies who have supported The Historic England Foundation during the last financial year.

Principal risks and uncertainties

The key risks (and mitigations) facing the charity are as follows:

- ▶ Inability to build up unrestricted income to enable financial sustainability (ensure Historic England Partnerships and Philanthropy Team is sufficiently resourced and skilled to build up unrestricted individual giving programme);
- ▶ Trustee body lacks relevant skills and diversity of experience (carry out a comprehensive skills audit to inform training requirements and to inform and support future trustee recruitment);
- ▶ Non-compliance with General Data Protection Regulation and Privacy and Electronic Communications Regulations (ensure approach to fundraising is compliant with all data protection legislation through appointed Data Protection Officer and regular reviews by the Historic England Partnerships and Philanthropy Team of its policies and processes).

Reserves policy

The trustees have determined that holding reserves is unnecessary, because expenditure for the charity is easily controlled as there are no directly employed staff. Charges for staff represent the largest single cost to the charity. Therefore, in the event of a failure to secure sufficient unrestricted funding, the work of the charity could be reduced. The trustees are content that the charity will continue to operate as a going concern for at least the twelve months from the date on which the report and financial statements have been signed, as per Note 1c on page 17.

Plans for future periods

The charity reviewed its forward business plan in the 2021-22 financial year and has set new targets for the period 2022-2025. The new forward business plan outlines how the charity intends to build up income in support of its grant-making activities:

- ▶ Individuals capable of giving both at higher levels financially and in their capacity to influence others to support will be cultivated by the trustees and the Historic England Head of Partnerships and Philanthropy, under the terms of the Shared Resources Agreement. Major donors may be drawn from the UK or from international audiences. Approaches will be made on a one-to-one basis and are likely to provide restricted gifts in support of pre-agreed priority projects.
- ▶ Under the terms of the Shared Resources Agreement the Historic England Partnerships and Philanthropy Team will lead on approaches to trusts and foundations for restricted gifts to pre-agreed priority projects, developing a case for support and a pipeline of prospects for approval by the trustees.

TRUSTEES' REPORT (continued)

Income generated from the general public will be predominantly unrestricted and will be allocated by trustees in accordance with the charity's grant-making policy. A case for support will be developed to outline the objects of the charity and the ways in which individuals can give. This will include the development of a legacy marketing programme, awareness-building of the role legacies can play in developing income for The Historic England Foundation, the provision of information on how to leave a legacy, the direct ask to an individual to leave a legacy and the stewardship of legacy pledgers.

Individuals will be able to donate via The Historic England Foundation website, enabling contributions – of any size – to contribute to a range of programme areas in delivery by Historic England. These online donations will automatically be restricted to the programme area selected, however, there will also be the option to make unrestricted donations, for Historic England to use 'where the need is greatest'.

Structure, governance and management

Structure

The charity does not directly employ staff and hence does not have an organisational structure in the traditional sense. It operates as a subsidiary of Historic England, which is the sole member of the charity.

Governance

The charity is limited by guarantee without share capital and was incorporated on 16 January 2017 and is a subsidiary undertaking of Historic England. Its governing document is its Memorandum and Articles of Association. On 14 May 2018, The Historic England Foundation was registered as a charity with the Charity Commission for England and Wales.

The trustees, for the purposes of charity law, are also its directors. The trustees consist of at least three individuals, of whom no more than a minority shall be Historic England commissioners or Historic England employees, provided that there shall always be at least a quorum of trustees who are not Historic England commissioners or Historic England employees.

The trustees elect a Chair from among their number (provided such person is not an Historic England Commissioner or an Historic England employee). The Chair holds office for four years or for as long as they remain a trustee, whichever period is shorter, and will be eligible for re-appointment at the end of their first term of office.

Management

The day-to-day management and administration of the charity's operations is delegated to specific Historic England staff within the Partnerships and Philanthropy, and Finance Teams. Strategic decisions are taken by the trustee board following discussions at board meetings and based upon the recommendations of the Partnerships and Philanthropy Team.

Details of the related party transactions and group relationships are contained within Notes 13 and 14 respectively.

Trustee recruitment and induction

Three additional Trustee appointments were made in the current financial year with Ellen Leslie, Satwinder Singh and Samuel Swire confirmed as Trustees by Historic England, which, as sole member of the charity, has the power to appoint and remove trustees. In addition, the terms of Jay Barrymore, Matthew O'Connell and Peter Beckett came to an end on 19 June 2021 and were approved for extension until 19 June 2024.

During the Financial Year, Trustees represented The Historic England Foundation on site visits to Wentworth Woodhouse, where apprentices funded by the Hamish Ogston Foundation are undertaking skilled conservation works. Trustees also visited Shrewsbury Flaxmill Maltings in support of stakeholder tours and a fundraising dinner event on 17 September 2021.

TRUSTEES' REPORT (continued)**Reference and administrative details**

Registered Office:	The Engine House Fire Fly Avenue Swindon Wiltshire SN2 2EH
Charity Registration Number:	1178368
Company Registration Number:	10564101
Trustees:	Jay Barrymore Peter Beckett Fiona Kirk Ellen Leslie (from 16 February 2022) Sir Laurie Magnus Matthew O'Connell Dr Fabian Richter Satwinder Singh (from 16 February 2022) Samuel Swire (from 16 February 2022)
Auditors:	Comptroller and Auditor General National Audit Office 157-159 Buckingham Palace Road London SW1W 9SP
Bankers:	HSBC Holdings plc Keith House 133 Regent Street London W1B 4HX
Solicitors:	Stone King LLP 13 Queen Square Bath BA1 2HJ

Exemptions from disclosure

The charity is entitled to the small companies' exemption in relation to the preparation of a Strategic Report under section 414A of the Companies Act 2006.

Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

TRUSTEES' REPORT (continued)

Statement of trustees' responsibilities

The trustees (who are also the directors of The Historic England Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ observe the methods and principles in the Charity Statement of Recommended Practice (SORP);
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

As far as each of the trustees is aware:

- ▶ there is no relevant audit information of which the charitable company's auditor is unaware, and
- ▶ they have taken all the steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at a Board meeting.

TRUSTEES' REPORT (continued)

Other matters

The accounts have been audited by the Comptroller and Auditor General, National Audit Office since the inception of the company.

Audit fees charged for the year are reported in note 3.

These financial accounts were authorised for issue by the Board of Trustees and were signed on their behalf by

A handwritten signature in black ink, appearing to read 'Fabian Richter', is shown on a light grey background.

Dr Fabian Richter
Trustee
14 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION

Opinion on financial statements

I have audited the financial statements of The Historic England Foundation for the year ended 31 March 2022 which comprise The Historic England Foundation's:

- Balance Sheet as at 31 March 2022;
- Statement of Financial Activities;
- Statement of Cash Flows for the year then ended; and
- the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of The Historic England Foundation's affairs as at 31 March 2022 and 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 Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), and applicable law. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of The Historic England Foundation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Historic England Foundation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Historic England Foundation'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.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Other Information

The other information comprises information included in the Trustees' Report, but does not include the financial statements and my auditor's report thereon. The Trustees are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which I report by exception

In the light of the knowledge and understanding of The Historic England Foundation and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as Trustees determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing The Historic England Foundation'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 directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and report on the financial statements in accordance with applicable law.

My 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 that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of The Historic England Foundation's accounting policies;
- inquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to The Historic England Foundation's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Historic England Foundation's controls relating to the Companies Act 2006 and the Charities Act 2011;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Historic England Foundation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of The Historic England Foundation's framework of authority as well as other legal and regulatory frameworks in which that The Historic England Foundation operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Historic England Foundation. The key laws and regulations I considered in this context included Companies Act 2006 and the Charities Act 2011.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)**Audit response to identified risk**

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Alexander Macnab (Senior Statutory Auditor)

16 December 2022

For and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2022

		2021-2022			2020-2021
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
	Note				
Income From:					
Donations and Legacies	2	53,000	441,077	494,077	302,736
Total		53,000	441,077	494,077	302,736
Expenditure On:					
Raising Funds	3,4,5	14,937	361	15,298	9,551
Charitable Activity	3,4,5	21,644	538,435	560,079	352,089
Total		36,581	538,796	575,377	361,640
Net Income		16,419	(97,719)	(81,300)	(58,904)
Transfers Between Funds		(2,754)	2,754	-	-
Reconciliation of Funds:					
Total Funds Brought Forward	11	6,114	426,232	432,346	491,250
Total Funds Carried Forward	11	19,779	331,267	351,046	432,346

All the revenue and operating results relate to the continuing operations of the charity.

The charity had no recognised gains or losses during the period other than those in the Statement of Financial Activities.

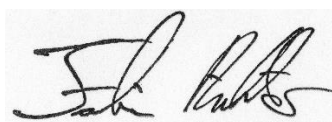
The notes on pages 17 to 24 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2022

		2022	2021
		Total	Total
	Note	Funds	Funds
		£	£
Current Assets			
Debtors	7,8	52,000	-
Cash at Bank and in Hand	7,9	306,846	465,191
Total Current Assets		358,846	465,191
Current Liabilities			
Creditors: Amounts Falling Due Within One Year	7,10	(7,800)	(32,845)
Total Current Liabilities		(7,800)	(32,845)
Total Net Assets		351,046	432,346
The Funds of the Charity			
Restricted Funds	12	331,267	426,232
Unrestricted Funds	12	19,779	6,114
Total Funds		351,046	432,346

The notes on pages 17 to 24 form part of these financial statements.

These financial accounts were approved and authorised for signature by the Board of Trustees on 14 December 2022 and were signed on their behalf by:



Dr Fabian Richter
Trustee

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2022

	Note	2021-2022 £	2020-2021 £
Net Income for the Financial Year		(81,300)	(58,904)
Adjustments for:			
(Increase)/Decrease in Debtors	8	(52,000)	75,000
Increase/(Decrease) in Creditors	10	(25,045)	(89,795)
Net Cash Generated by Operating Activities		(158,345)	(73,699)
Cash and Cash Equivalents at the Beginning of the Year	9	465,191	538,890
Change in Cash and Cash Equivalents During the Year		(158,345)	(73,699)
Cash and Cash Equivalents at the End of the Year	9	306,846	465,191

The notes on pages 17 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Accounting Policies

a) General information

The Historic England Foundation was incorporated on 16 January 2017 and is a subsidiary undertaking of Historic England. It was registered as a charity on 14 May 2018. The charity provides grants to applicable bodies which meet the aims and objectives of the charity in line with its established Memorandum and Articles of Association.

The charity is a public benefit entity limited by guarantee without share capital and is incorporated in England. The registered office is The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH.

b) Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - 'Charities SORP' and the Companies Act 2006.

c) Basis of preparation – going concern

The financial statements are prepared on a going concern basis. The charity currently meets its financial obligations through receipt of funding from unrestricted grants from Historic England and is targeting an individual fundraising strategy to reduce this reliance.

After making enquiries of Historic England regarding receipt of ongoing unrestricted funding, the trustees have a reasonable expectation that the charity will have access to adequate resources to continue in operational existence for at least twelve months from the date the accounts were approved. The charity therefore adopts the going concern basis in preparing its financial statements on the basis that there are no material uncertainties about the charity's ability to continue to operate.

d) Accounting judgments and estimates

There are no critical judgments, estimates or assumptions present in these financial statements.

e) Revenue recognition

All revenue is generated from donations, grants and gift aid and is measured at the fair value of the consideration received or receivable. Donations and grants are recognised when the amount of revenue can be measured reliably; it is probable that future economic benefits will flow to the charity and, in the case of grant funding, when the funding has been contractually agreed with the donor.

Gift Aid is recognised when the claim is made to HMRC.

f) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are donations (plus any related Gift Aid) or grants which the donor has specified are to be solely used for particular purposes and/or at particular times.

NOTES TO THE FINANCIAL STATEMENTS

Costs charged to restricted funds relate to activities undertaken to further the specific charitable purposes the fund was established to support. These costs include both direct and support costs associated with the activities undertaken by the restricted fund.

Support costs which can be so associated have been apportioned according to the number of transactions on restricted and unrestricted funds.

g) Expenditure recognition

Expenditure is accounted for on an accruals basis in line with the requirements of Charity SORP and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity is not registered for VAT and as a result all expenditure is inclusive of input VAT incurred.

h) Grant making activities

Grants awarded, notified to the recipient and accepted are accounted for on an accruals basis in line with the requirements of Charity SORP and are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

i) Apportionment and allocation of costs

In accordance with the requirements of the Charities SORP, the charity has developed a model to apportion support costs across its main activities. The results of this can be found at Note 4.

Support costs are those functions that assist the work of the charity but are not directly attributable to raising funds or charitable activities. Support costs include finance, legal and governance costs that support the charity's charitable remit.

Support costs have either been apportioned based on that activity's share of costs or pro-rated according to the expenditure.

j) Taxation

Taxation expenses comprise current corporation tax recognised in the reporting period.

As the company is registered as a charity it is generally exempt from the requirement to pay corporation tax.

k) Debtors

Debtors are recognised at the settlement amount due after any trade discount offered.

l) Cash at bank and in hand

Cash at bank and in hand include cash in hand, deposits held on call or with maturities of less than three months.

NOTES TO THE FINANCIAL STATEMENTS**m) Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial instruments

The charity only holds basic financial instruments that are valued at amortised cost.

o) Balance Sheet

This year's Balance Sheet is given in less detail than previous years, though it remains compliant with the Charities SORP. Full detail on the split of assets and liabilities between restricted and unrestricted funds is provided in the notes to the accounts.

2 Income from Donations and Legacies

	2021-2022			2020-2021
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Donations	1,000	84,278	85,278	680
Grants	52,000	344,530	396,530	301,793
Gift Aid	-	12,269	12,269	263
Total Income	53,000	441,077	494,077	302,736

3 Support Costs

	2021-2022			2020-2021
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Audit Fee	7,800	-	7,800	7,680
Finance and Administrative	14,435	13,576	28,011	16,393
Total Support Costs	22,235	13,576	35,811	24,073

Details on the method of allocation and apportionment of costs between restricted and unrestricted funds are available at Note 1i).

Remuneration paid to auditors in respect of non-audit services in 2021-2022 was nil (2020-2021: nil).

NOTES TO THE FINANCIAL STATEMENTS**4 Allocation of Support Costs**

Details on the method of allocation and apportionment of support costs between activities are available at Note 1i).

a) Expenditure by Activity

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2022					
Raising Funds	-	14,346	-	952	15,298
Charitable Activity	525,220	-	-	34,859	560,079
Support Costs	-	27,152	8,659	(35,811)	-
Total Expenditure	525,220	41,498	8,659	-	575,377

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2021					
Raising Funds	-	8,915	-	636	9,551
Charitable Activity	328,652	-	-	23,437	352,089
Support Costs	-	16,250	7,823	(24,073)	-
Total Expenditure	328,652	25,165	7,823	-	361,640

b) Support Costs by Activity

	Governance £	Finance £	Total £
For the Year Ended 31 March 2022			
Raising Funds	207	745	952
Charitable Activities	7,593	27,266	34,859
Total Support Costs	7,800	28,011	35,811

	Governance £	Finance £	Total £
For the Year Ended 31 March 2021			
Raising Funds	203	433	636
Charitable Activities	7,477	15,960	23,437
Total Support Costs	7,680	16,393	24,073

NOTES TO THE FINANCIAL STATEMENTS**5 Trustees' Remuneration**

None of the trustees received any remuneration or any other benefits or were reimbursed for any expenses by any group or other entity during the period in respect of The Historic England Foundation.

6 Employee Benefits

The charity did not directly employ any staff during the accounting period. This means that no disclosure of staff receiving benefits of more than £60,000 is required. All staff engaged on charity business have a contract of employment with Historic England. The costs of these staff are included with overheads in the management charge from Historic England.

7 Summary of Assets and Liabilities

	2021-2022			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Current Assets	27,579	331,267	358,846	465,191
Current Liabilities	(7,800)	-	(7,800)	(32,845)
Net Assets	19,779	331,267	351,046	432,346

8 Debtors

	2021-2022			2021-2022
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accrued Income	52,000	-	52,000	-
Total Debtors	52,000	-	52,000	-

9 Cash at Bank and in Hand

	2021-2022			2020-2021
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Cash at Bank	(24,421)	331,267	306,846	465,191

NOTES TO THE FINANCIAL STATEMENTS**10 Creditors: Amounts Falling Due Within One Year**

	2021-2022			2020-2021
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Amounts Owed to Group Undertaking	-	-	-	25,165
Accrued Expenditure	7,800	-	7,800	7,680
Total Creditors	7,800	-	7,800	32,845

11 Contingent Liabilities

No contingent liabilities were noted at 31 March 2022 (2021: nil).

12 Reconciliation of Movement in Funds

	At 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 31 March 2022 £
Restricted Funds					
Apprenticeships	126,182	46,350	(46,953)	-	125,579
Breaking New Ground	(1,798)	-	-	1,798	-
Fort Cumberland X-Ray	(956)	-	-	956	-
Heritage Building Skills	-	157,660	(156,284)	-	1,376
Heritage Construction	7,600	-	-	-	7,600
Historic England	9,792	-	-	-	9,792
Rejuvenate	-	25,000	(302)	-	24,698
Shrewsbury Flax Mill	285,412	212,067	(335,257)	-	162,222
Total Restricted Funds	426,232	441,077	(538,796)	2,754	331,267
Unrestricted Funds					
General Fund	6,114	53,000	(36,581)	(2,754)	19,779
Total Unrestricted Funds	6,114	53,000	(36,581)	(2,754)	19,779
Total Funds	432,346	494,077	(575,377)	-	351,046

The purposes and restrictions of the material individual funds are described below. Outgoing resources above include both grants and support costs charged to restricted funds.

Apprenticeships

In 2021-22 a further grant of £46,350 was received from the Allchurches Trust. This has been given to The Historic England Foundation to pioneer the new heritage apprenticeship standards for the sector, setting best practice for recruitment and training and creating a new, more accessible entry route into the heritage workforce for a much more diverse talent pool of young people. This will enable us to help address critical skills shortages, working in partnership with a wide range of organisations to make the heritage sector more inclusive and sustainable long term.

A grant of £46,350 was made to Historic England during 2021-22 from this fund.

NOTES TO THE FINANCIAL STATEMENTS

Heritage Building Skills

In 2021-22 grants totalling £153,870 were received from The Hamish Ogston Foundation to be used to fund an in-work training and apprenticeships programme that will help to ensure that the trade and craft skills needed to repair and maintain historic buildings are passed onto future generations.

A donation of £3,780 was also received from The Worshipful Company of Plaisterers to fund a summer school at Wentworth Woodhouse.

Grants totalling £153,870 were made to Historic England during 2021-22 from the grant received from The Hamish Ogston Foundation.

Rejuvenate

In 2021-22 a grant of £25,000 was received from The Swire Charitable Trust restricted to researching the most effective ways to improve the lives of vulnerable young people with a particular view to enhancing life opportunities, including to prevent involvement with the criminal justice system and to respond to the challenges of being in the criminal justice system, and reduce re-offending.

Shrewsbury Flax Mill

In 2021-22 a grant of £25,000 from The Walker Trust is restricted to improving the local interpretation and education offer at Shrewsbury Flax Mill.

A grant of £100,000 from the Foyle Foundation, a grant of £14,300 from The Hobson Charity and a donation of £40,000 were received and restricted to work undertaken at Shrewsbury Flax Mill.

The remaining grants and donations of £20,498 along with Gift Aid on donations of £12,269 received in the year are restricted to work undertaken at Shrewsbury Flax Mill.

Grants of £325,000 were awarded to Historic England in year in relation to Shrewsbury Flax Mill.

NOTES TO THE FINANCIAL STATEMENTS

13 Related Party Transactions

Historic England is the sole member of the charity and is regarded as a related party. Grants of £525,220 were given to Historic England. Payment was also made to Historic England in respect of shared services of £66,662 of which £25,165 related to the previous financial year. Historic England also provided capacity building grant funding to The Historic England Foundation of £52,000 which was unpaid at the end of the financial year.

During the year, the charity had the following related party transactions which require disclosure:

- Sir Laurie Magnus, trustee of The Historic England Foundation and Commissioner of Historic England, is a trustee of Allchurches Trust who gave a grant of £46,350 towards Apprenticeships.
- Samuel Swire, trustee of The Historic England Foundation, is a trustee of The Swire Charitable Trust who gave a grant of £25,000 towards Rejuvenate.
- Richard Upton, Commissioner of Historic England, gave a donation of £40,000 towards Shrewsbury Flax Mill.

No other trustees or other related parties have undertaken any material related party transactions with the charity during the year.

14 Controlling Parties

The parent entity and ultimate controlling party of The Historic England Foundation is Historic England (Historic Buildings and Monuments Commission for England) which is the public body that helps people care for, enjoy and celebrate England's spectacular historic environment which they achieve by:

- ▶ Championing historic places
- ▶ Identifying and protecting our heritage
- ▶ Supporting change
- ▶ Understanding historic places and
- ▶ Providing expertise at a local level

Historic England as sole member of the charity and under the charity's articles of association has the power to appoint and remove trustees.

Copies of the consolidated accounts are available to the public and may be obtained from Historic England, The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH or from www.historicengland.org.uk.

15 Events after the Reporting Period

There were no events after the reporting period to be declared in these accounts. The accounts were authorised for issue on the date the Independent Auditor's Report was signed.

THE HISTORIC ENGLAND FOUNDATION

England & Wales - Charity number 1178368

Accounts

THE HISTORIC ENGLAND FOUNDATION
(A charitable company limited by guarantee without share capital)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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TRUSTEES' REPORT

The directors, who are also trustees, present their report and the audited financial statements for the year ended 31 March 2021. The Trustees' Report also contains the information required of the directors by company law.

Trustees

The trustees of the charity who were in office during the period and up to the date of signing the financial statements were:

Jay Barrymore
Peter Beckett
Simon Jacot de Boinod (resigned 16 December 2020)
Fiona Kirk
Sir Laurie Magnus
Matthew O'Connell
Fabian Richter

Objectives and activities

The objects of the charity are, for the benefit of the public:

- ▶ To promote the conservation, protection and improvement of heritage assets situated in England;
- ▶ To advance education by promoting research into, and furthering the public's knowledge and enjoyment of, heritage assets situated in England and their conservation, in particular but not exclusively without limitation by supporting the work of Historic England; and
- ▶ To further such other exclusively charitable purposes incidental to the above objects as the trustees see fit.

To achieve its aims, the charity seeks to secure grants and donations from charitable trusts and foundations, as well as individuals. It then distributes these as grants to other bodies who operate in line with the charity's objects and with its grant-making policy which states that:

- ▶ The trustees will only fund work that demonstrates heritage merit and applicants are expected to provide evidence that the heritage asset(s) that are the subject of the application are of sufficient historical or architectural significance to merit preservation;
- ▶ The trustees may on occasion fund applications for preservation or advancement of education of heritage assets that have a connection with a particular person or event, where that person or event is of sufficient educational, historical or significant interest or where a significant part of the surviving fabric relates to the period during which the person occupied it, or in which the event took place;
- ▶ The trustees will only fund the work of organisations operating in England;
- ▶ The trustees prefer to contribute to specific appeals and projects rather than to contribute to general running costs or expenditure of an organisation or charity;
- ▶ The trustees will not normally approve any grant without seeing the most recently published annual report and accounts of the organisation that they intend to benefit;
- ▶ Grants from the charity are restricted funds and may only be used towards the project and costs outlined in the submitted application, or as subsequently agreed in writing; and
- ▶ Grants from the charity must advance the education of the public and applicants are expected to demonstrate how this will be achieved.

The trustees have had regard to Charity Commission guidance on public benefit in shaping the objectives of the charity and planning its activities.

TRUSTEES' REPORT (continued)

Achievements and performance

Financial achievements are set out within the financial review.

Fundraising targets were carried forward for high net worth individuals (£50,000) and trusts and foundations (£300,000) in the current financial year. The targets agreed by trustees in the current financial year have been exceeded for trusts and foundations, however, fundraising from individuals has been significantly impacted by the global pandemic and periods of national lockdown.

Two full trustee meetings have been held in the financial year and one comprehensive update provided to trustees during the first national lockdown. Six trustees were in attendance at the September and February meetings, both of which were held remotely. The relationship between the trustees and Historic England staff providing shared resource is strong.

Fundraising

The charity does not employ any staff. All fundraising activity is outsourced to the Partnerships and Philanthropy Team within Historic England, under the terms of a Shared Services Agreement, and their costs are recharged on a full cost basis to the charity. The trustees direct the work of the Historic England Partnerships and Philanthropy Team in order to implement the strategy agreed by the trustees, and, particularly, to:

- ▶ Generate fundraised income in order to support projects that meet the objects of the charity and which have been approved by the trustees;
- ▶ Build up unrestricted income for the charity for allocation by the trustees in accordance with its grant-making policy.

The activities of the Partnerships and Philanthropy Team are monitored and directed by the trustees who review and approve the Fundraising Strategy.

No third-party professional fundraisers or commercial participators have been engaged by the charity. No complaints have been received by the charity relating to its fundraising activities and the charity does not direct mail or e-mail members of the general public for the purposes of fundraising.

Financial review

Financial position

The charity has had a successful fundraising year, securing restricted funding of £275,606 with a further £27,130 of unrestricted funding.

Grants have been awarded to Historic England for the following projects:

- ▶ £87,694 Fort Cumberland high resolution X-ray equipment;
- ▶ £140,610 for apprenticeships;
- ▶ £76,698 for Breaking New Ground;
- ▶ £7,919 for Heritage Construction; and
- ▶ £23,650 for Shrewsbury Flax Mill.

Further information is available in Note 11. Outgoing resources in Note 11 include grants as well as support costs charged to restricted funds.

At the end of the year, the charity has restricted funds of £426,233 and unrestricted funds of £6,115.

The achievement of charitable status in May 2018 has provided the charity the opportunity to seek support from a variety of organisations and individuals, resulting in a significant increase in income this year.

TRUSTEES' REPORT (continued)

During the year, the charity secured grants of:

- ▶ £110,680 from Allchurches Trust for use on apprenticeships;
- ▶ £50,000 from The Walker Trust for use at Shrewsbury Flax Mill;
- ▶ £87,694 from Wolfson Foundation for use at Fort Cumberland;
- ▶ £27,000 from Historic England for unrestricted purposes;
- ▶ £18,500 from The Ironmongers Company for use at Shrewsbury Flax Mill;
- ▶ £7,919 from The Hamish Ogston Foundation for Heritage Construction Training.

The charity has also secured donations from companies and individuals totalling £943, including gift aid on individual donations.

An explanation of the restrictions on these grants and donations and how they support the key objectives of the charity is contained in Note 11.

We would like to extend our thanks all those trusts, individuals and companies who have supported The Historic England Foundation during the last financial year.

Principal risks and uncertainties

The key risks (and mitigations) facing the charity are as follows:

- ▶ Inability to build up unrestricted income to enable financial sustainability (ensure Historic England Partnerships and Philanthropy Team is sufficiently resourced and skilled to build up unrestricted individual giving programme);
- ▶ Trustee body lacks relevant skills and diversity of experience (carry out a comprehensive skills audit to inform training requirements and to inform and support future trustee recruitment);
- ▶ Non-compliance with General Data Protection Regulation and Privacy and Electronic Communications Regulations (ensure approach to fundraising is compliant with all data protection legislation through appointed Data Protection Officer and regular reviews by the Historic England Partnerships and Philanthropy Team of its policies and processes).

Reserves policy

The trustees have determined that holding reserves is unnecessary, because expenditure for the charity is easily controlled as there are no directly employed staff. Charges for staff represent the largest single cost to the charity. Therefore, in the event of a failure to secure sufficient unrestricted funding, the work of the charity could be reduced. The trustees are content that the charity will continue to operate as a going concern for at least the twelve months from the date on which the report and financial statements have been signed, as per Note 1c on page 17.

Plans for future periods

The charity reviewed its forward business plan in the 2019-20 financial year and has set new targets for the period 2020-2023. The new forward business plan outlines how the charity intends to begin to build up income in support of its grant-making activities:

- ▶ Individuals capable of giving both at higher levels financially and in their capacity to influence others to support will be cultivated by the trustees and the Historic England Head of Partnerships and Philanthropy, under the terms of the Shared Resources Agreement. Major donors may be drawn from the UK or from international audiences. Approaches will be made on a one-to-one basis and are likely to provide restricted gifts in support of pre-agreed priority projects.
- ▶ Under the terms of the Shared Resources Agreement the Historic England Partnerships and Philanthropy Team will lead on approaches to trusts and foundations for restricted gifts to pre-agreed priority projects, developing a case for support and a pipeline of prospects for approval by the trustees.

TRUSTEES' REPORT (continued)

Income generated from the general public will be predominantly unrestricted and will be allocated by trustees in accordance with the charity's grant-making policy. A case for support will be developed to outline the objects of the charity and the ways in which individuals can give. This will include the development of a legacy marketing programme, awareness-building of the role legacies can play in developing income for The Historic England Foundation, the provision of information on how to leave a legacy, the direct ask to an individual to leave a legacy and the stewardship of legacy pledgers.

Structure, governance and management

Structure

The charity does not directly employ staff and hence does not have an organisational structure in the traditional sense. It operates as a subsidiary of Historic England, which is the sole member of the charity.

Governance

The charity is limited by guarantee without share capital and was incorporated on 16 January 2017 and is a subsidiary undertaking of Historic England. Its governing document is its Memorandum and Articles of Association.

On 14 May 2018, The Historic England Foundation was registered as a charity with the Charity Commission for England and Wales.

The trustees, for the purposes of charity law, are also its directors. The trustees consist of at least three individuals, of whom no more than a minority shall be Historic England commissioners or Historic England employees, provided that there shall always be at least a quorum of trustees who are not Historic England commissioners or Historic England employees.

The trustees elect a Chair from among their number (provided such person is not an Historic England Commissioner or an Historic England employee). The Chair holds office for four years or for as long as they remain a trustee, whichever period is shorter, and will be eligible for re-appointment at the end of their first term of office.

Management

The day-to-day management and administration of the charity's operations is delegated to specific Historic England staff within the Partnerships and Philanthropy, and Finance Teams.

Strategic decisions are taken by the trustee board following discussions at board meetings and based upon the recommendations of the Partnerships and Philanthropy Team.

Details of the related party transactions and group relationships are contained within Notes 13 and 14 respectively.

Trustee recruitment and induction

No additional Trustee appointments were made in the current financial year by Historic England, which as sole member of the charity has the power to appoint and remove trustees, however the terms of Sir Laurie Magnus and Fiona Kirk came to an end on 15 January 2021 and were approved for extension until 31 August 2023.

Due to the impact of the pandemic, no site visits were carried out and no additional training was provided. Training needs continue to be a priority for the Foundation and will be discussed with the trustees in due course.

TRUSTEES' REPORT (continued)**Reference and administrative details**

Registered Office:	The Engine House Fire Fly Avenue Swindon Wiltshire SN2 2EH
Charity Registration Number:	1178368
Company Registration Number:	10564101
Trustees:	Jay Barrymore Peter Beckett Simon Jacot de Boinod (resigned 16 December 2020) Fiona Kirk Sir Laurie Magnus Matthew O'Connell Fabian Richter
Auditors:	Comptroller and Auditor General National Audit Office 157-159 Buckingham Palace Road London SW1W 9SP
Bankers:	HSBC Holdings plc Keith House 133 Regent Street London W1B 4HX
Solicitors:	Stone King LLP 13 Queen Square Bath BA1 2HJ

Exemptions from disclosure

The charity is entitled to the small companies' exemption in relation to the preparation of a Strategic Report under section 414A of the Companies Act 2006.

Funds held as custodian trustee on behalf of others

The charity does not hold any funds on behalf of others.

TRUSTEES' REPORT (continued)

Statement of trustees' responsibilities

The trustees (who are also the directors of The Historic England Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ observe the methods and principles in the Charity Statement of Recommended Practice (SORP);
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable UK 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

As far as each of the trustees is aware:

- ▶ there is no relevant audit information of which the charitable company's auditor is unaware, and
- ▶ they have taken all the steps that they ought to have taken to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

The auditors have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at a Board meeting.

TRUSTEES' REPORT (continued)

Other matters

The accounts have been audited by the Comptroller and Auditor General, National Audit Office since the inception of the company.

Audit fees charged for the year are reported in note 3.

These financial accounts were authorised for issue by the Board of Trustees and were signed on their behalf by



Sir Laurie Magnus
Trustee
23 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION

Opinion on financial statements

I have audited the financial statements of The Historic England Foundation for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- ▶ give a true and fair view of the state of The Historic England Foundation's affairs as at 31 March 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;
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), and applicable law. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I have also elected to apply the ethical standards relevant to listed entities. I am independent of The Historic England Foundation in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Historic England Foundation's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Historic England Foundation'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.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Other Information

The other information comprises information included in the Trustees' Report, the financial statements and my auditor's report thereon. The Trustees are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In my 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 those reports have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of The Historic England Foundation and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees' Report.

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- ▶ the financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of director's remuneration specified by law are not made; or
- ▶ I have not received all of the information and explanations I require for my audit.

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for:

- ▶ the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ▶ such internal controls as management determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- ▶ assessing The Historic England Foundation'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 directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC ENGLAND FOUNDATION (continued)

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with applicable law.

My 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 that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- ▶ Inquiring of management, and those charged with governance, including obtaining and reviewing supporting documentation relating to The Historic England Foundation's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Historic England Foundation's controls relating to the Companies Act 2006 and the Charities Act 2011;
- ▶ discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, and posting of unusual journals; and
- ▶ obtaining an understanding of The Historic England Foundation's framework of authority as well as other legal and regulatory frameworks that The Historic England Foundation operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of The Historic England Foundation. The key laws and regulations I considered in this context included the Companies Act 2006 and the Charities Act 2011.

In addition to the above, my procedures to respond to identified risks included the following:

- ▶ reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- ▶ enquiring of management, concerning actual and potential litigation and claims;
- ▶ reading minutes of meetings of those charged with governance and the Board;
- ▶ in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE HISTORIC
ENGLAND FOUNDATION (continued)**

A further description of my 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 my report.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Alexander Macnab (Senior Statutory Auditor)

23 December 2021

For and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

		2020-2021			2019-2020
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Income From:					
Donations and Legacies	2	27,130	275,606	302,736	612,790
Total		27,130	275,606	302,736	612,790
Expenditure On:					
Raising Funds	3,4,5	9,391	160	9,551	12,434
Charitable Activity	3,4,5	17,543	334,546	352,089	495,336
Total		26,934	334,706	361,640	507,770
Net Income		196	(59,100)	(58,904)	105,020
Reconciliation of Funds:					
Total Funds Brought Forward	11	5,918	485,332	491,250	386,230
Total Funds Carried Forward	11	6,114	426,232	432,346	491,250

All the revenue and operating results relate to the continuing operations of the charity.

The charity had no recognised gains or losses during the period other than those in the Statement of Financial Activities.

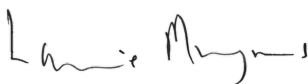
The notes on pages 17 to 24 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2020-2021			2019-2020
		Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Current Assets					
Debtors	7	-	-	-	75,000
Cash at Bank and in Hand	8	38,959	426,232	465,191	538,890
Total Current Assets		38,959	426,232	465,191	613,890
Current Liabilities					
Creditors: Amounts Falling Due Within One Year	9	(32,845)	-	(32,845)	(122,640)
Total Current Liabilities		(32,845)	-	(32,845)	(122,640)
Total Net Assets		6,114	426,232	432,346	491,250
The Funds of the Charity					
Restricted Funds	11	-	426,232	426,234	485,332
Unrestricted Funds	11	6,114	-	6,114	5,918
Total Funds		6,114	426,232	432,346	491,250

The notes on pages 17 to 24 form part of these financial statements.

These financial accounts were approved and authorised for signature by the Board of Trustees on 23 December 2021 and were signed on their behalf by:



Sir Laurie Magnus
Trustee

STATEMENT OF CASH FLOWS AS AT 31 MARCH 2021

	Note	2020-2021 £	2019-2020 £
Net Income for the Financial Year		(58,904)	105,020
Adjustments for:			
(Increase)/Decrease in Debtors	7	75,000	(25,000)
Increase/(Decrease) in Creditors	9	(89,795)	60,547
Net Cash Generated by Operating Activities		(73,699)	140,567
Cash and Cash Equivalents at the Beginning of the Year	8	538,890	398,323
Change in Cash and Cash Equivalents During the Year		(73,699)	140,567
Cash and Cash Equivalents at the End of the Year	8	465,191	538,890

The notes on pages 17 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 Statement of Accounting Policies

a) General information

The Historic England Foundation was incorporated on 16 January 2017 and is a subsidiary undertaking of Historic England. It was registered as a charity on 14 May 2018. The charity provides grants to applicable bodies which meet the aims and objectives of the charity in line with its established Memorandum and Articles of Association.

The charity is a public benefit entity limited by guarantee without share capital and is incorporated in England. The registered office is The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH.

b) Statement of compliance

The financial statements have been prepared in accordance with 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 2015) - 'Charities SORP' and the Companies Act 2006.

c) Basis of preparation – going concern

The financial statements are prepared on a going concern basis. The charity currently meets its financial obligations through receipt of funding from unrestricted grants from Historic England and is targeting an individual fundraising strategy to reduce this reliance.

After making enquiries of Historic England regarding receipt of ongoing unrestricted funding, the trustees have a reasonable expectation that the charity will have access to adequate resources to continue in operational existence for at least twelve months from the date the accounts were approved. The charity therefore adopts the going concern basis in preparing its financial statements on the basis that there are no material uncertainties about the charity's ability to continue to operate.

d) Accounting judgments and estimates

There are no critical judgments, estimates or assumptions present in these financial statements.

e) Revenue recognition

All revenue is generated from donations, grants and gift aid and is measured at the fair value of the consideration received or receivable. Donations and grants are recognised when the amount of revenue can be measured reliably; it is probable that future economic benefits will flow to the charity and, in the case of grant funding, when the funding has been contractually agreed with the donor.

Gift Aid is recognised when the claim is made to HMRC.

f) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are donations (plus any related Gift Aid) or grants which the donor has specified are to be solely used for particular purposes and/or at particular times.

NOTES TO THE FINANCIAL STATEMENTS

Costs charged to restricted funds relate to activities undertaken to further the specific charitable purposes the fund was established to support. These costs include both direct and support costs associated with the activities undertaken by the restricted fund.

Support costs which can be so associated have been apportioned according to the number of transactions on restricted and unrestricted funds.

g) Expenditure recognition

Expenditure is accounted for on an accruals basis in line with the requirements of Charity SORP and is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

The charity is not registered for VAT and as a result all expenditure is inclusive of input VAT incurred.

h) Grant making activities

Grants awarded, notified to the recipient and accepted are accounted for on an accruals basis in line with the requirements of Charity SORP and are recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

i) Apportionment and allocation of costs

In accordance with the requirements of the Charities SORP, the charity has developed a model to apportion support costs across its main activities. The results of this can be found at Note 4.

Support costs are those functions that assist the work of the charity but are not directly attributable to raising funds or charitable activities. Support costs include finance, legal and governance costs that support the charity's charitable remit.

Support costs have either been apportioned based on that activity's share of costs or pro-rated according to the expenditure.

j) Taxation

Taxation expenses comprise current corporation tax recognised in the reporting period. As the company is registered as a charity it is generally exempt from the requirement to pay corporation tax.

k) Debtors

Debtors are recognised at the settlement amount due after any trade discount offered.

l) Cash at bank and in hand

Cash at bank and in hand include cash in hand, deposits held on call or with maturities of less than three months.

m) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

n) Financial instruments

The charity only holds basic financial instruments that are valued at amortised cost.

2 Income from Donations and Legacies

	2020-2021			2019-2020
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Donations	130	550	680	31,770
Grants	27,000	274,793	301,793	565,030
Gift Aid	-	263	263	15,990
Total Income	27,130	275,606	302,736	612,790

3 Support Costs

	2020-2021			2019-2020
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Audit Fee	7,680	-	7,680	7,560
Finance and Administrative	10,339	6,054	16,393	4,760
Total Support Costs	18,019	6,054	24,073	12,320

Details on the method of allocation and apportionment of costs between restricted and unrestricted funds are available at Note 1i).

Remuneration paid to auditors in respect of non-audit services in 2020-2021 was nil (2019-2020: nil).

NOTES TO THE FINANCIAL STATEMENTS**4 Allocation of Support Costs**

Details on the method of allocation and apportionment of support costs between activities are available at Note 1i).

a) Expenditure by Activity

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2021					
Raising Funds	-	8,915	-	636	9,551
Charitable Activity	328,652	-	-	23,437	352,089
Support Costs	-	16,250	7,823	(24,073)	-
Total Expenditure	328,652	25,165	7,823	-	361,640

	Grant Giving £	Staff and Trustee Costs £	Other £	Allocation £	Total £
For the Year Ended 31 March 2020					
Raising Funds	-	12,132	-	302	12,434
Charitable Activity	483,318	-	-	12,018	495,336
Support Costs	-	4,646	7,674	(12,320)	-
Total Expenditure	483,318	16,778	7,674	-	507,770

b) Support Costs by Activity

	Governance £	Finance £	Total £
For the Year Ended 31 March 2021			
Raising Funds	203	433	636
Charitable Activities	7,477	15,960	23,437
Total Support Costs	7,680	16,393	24,073

	Governance £	Finance £	Total £
For the Year Ended 31 March 2020			
Raising Funds	185	117	302
Charitable Activities	7,375	4,643	12,018
Total Support Costs	7,560	4,760	12,320

NOTES TO THE FINANCIAL STATEMENTS**5 Trustees' Remuneration**

None of the trustees received any remuneration or any other benefits or were reimbursed for any expenses by any group or other entity during the period in respect of The Historic England Foundation.

6 Employee Benefits

The charity did not directly employ any staff during the accounting period. This means that no disclosure of staff receiving benefits of more than £60,000 is required. All staff engaged on charity business have a contract of employment with Historic England. The costs of these staff are included with overheads in the management charge from Historic England.

7 Debtors

	2020-2021			2019-2020
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Accrued Income	-	-	-	75,000
Total Debtors	-	-	-	75,000

8 Cash at Bank and in Hand

	2020-2021			2019-2020
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Cash at Bank	38,959	426,234	465,193	538,890

9 Creditors: Amounts Falling Due Within One Year

	2020-2021			2019-2020
	Unrestricted Funds £	Restricted Funds £	Total Funds £	Total Funds £
Amounts Owed to Group Undertaking	25,165	-	25,165	115,080
Accrued Expenditure	7,680	-	7,680	7,560
Total Creditors	32,845	-	32,845	122,640

NOTES TO THE FINANCIAL STATEMENTS**10 Contingent Liabilities**

No contingent liabilities were noted at 31 March 2021 (2020: nil).

11 Reconciliation of Movement in Funds

	At 1 April 2020 £	Incoming Resources £	Outgoing Resources £	Transfers Between Funds £	At 31 March 2021 £
Restricted Funds					
Apprenticeships	156,749	110,680	(141,247)	-	126,182
Breaking New Ground	76,174	-	(77,972)	-	(1,798)
Fort Cumberland X-Ray	-	87,694	(88,650)	-	(956)
Heritage Construction	-	7,919	(319)	-	7,600
Historic England	9,792	-	-	-	9,792
Shrewsbury 2021	49,719	-	-	(49,719)	-
Shrewsbury Flaxmill Maltings	192,898	69,313	(26,518)	49,719	285,412
Total Restricted Funds	485,332	275,606	(334,706)	-	426,232
Unrestricted Funds					
General Fund	5,918	27,130	(26,934)	-	6,114
Total Unrestricted Funds	5,918	27,130	(26,934)	-	6,114
Net Movement in Funds	491,250	302,736	(361,640)	-	432,346

The purposes and restrictions of the material individual funds are described below. Outgoing resources above include both grants and support costs charged to restricted funds.

Apprenticeships

In 2020-21 a further grant of £110,680 was received from the Allchurches Trust. This has been given to The Historic England Foundation to pioneer the new heritage apprenticeship standards for the sector, setting best practice for recruitment and training and creating a new, more accessible entry route into the heritage workforce for a much more diverse talent pool of young people. This will enable us to help address critical skills shortages, working in partnership with a wide range of organisations to make the heritage sector more inclusive and sustainable long term.

A grant of £140,610 was made to Historic England during 2020-21 from this fund.

Breaking New Ground

A further grant of £76,698 was made to Historic England during 2020-21 from the grant received from the John Laing Charitable Trust in 2019-20, to support staff recruitment and the purchase of equipment to begin cataloguing, digitising and conserving the photographs within the John Laing plc photographic collation, to people who currently use the Historic England Archive.

NOTES TO THE FINANCIAL STATEMENTS**11 Reconciliation of Movement in Funds (continued)**Fort Cumberland X-Ray

In 2020-21 a grant of £87,694 was received from The Wolfson Foundation to enable the analysis of objects including those recovered from historic shipwrecks and archaeological sites.

A grant of £87,694 was made to Historic England during 2020-21 from this fund.

Heritage Construction

In 2020-21 a grant of £7,919 was received from The Hamish Ogston Foundation to be used to fund an in-work training and apprenticeships programme that will help to ensure that the trade and craft skills needed to repair and maintain historic buildings are passed onto future generations.

Shrewsbury 2021

The fund was transferred to the wider Shrewsbury Flaxmill Maltings restricted fund in the year, as COVID-19 resulted in anticipated work in 2021 not being carried out. The transfer is in line with the original restriction."

Shrewsbury Flax Mill

In 2020-21 a grant of £50,000 from The Walker Trust is restricted to improving the local interpretation and education offer at Shrewsbury Flax Mill.

A grant of £18,500 from The Ironmongers Company to be utilised against works at Shrewsbury Flax Mill.

The remaining grants and donations of £813 received in the year are restricted to work undertaken at Shrewsbury Flax Mill.

Grants of £23,650 were awarded to Historic England in year in relation to Shrewsbury Flax Mill.

12 Analysis of Net Assets between Funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
The Historic England Foundation Funds			
Cash	38,959	426,234	465,193
Creditors	(32,845)	-	(32,845)
Net Assets at 31 March 2021	6,114	426,234	432,348

	Unrestricted Funds £	Restricted Funds £	Total Funds £
The Historic England Foundation Funds			
Debtors	-	75,000	75,000
Cash	30,254	508,636	538,890
Creditors	(24,336)	(98,304)	(122,640)
Net Assets at 31 March 2020	5,918	485,332	491,250

NOTES TO THE FINANCIAL STATEMENTS

13 Related Party Transactions

Historic England is the sole member of the charity and is regarded as a related party. Grants of £328,652 were given to Historic England. There were material transactions owed to Historic England in respect of shared services of £25,165. Historic England also provided capacity building grant funding to The Historic England Foundation of £27,000.

During the year, the charity had the following related party transactions which require disclosure:

- Sir Laurie Magnus, trustee of The Historic England Foundation and Commissioner of Historic England, is a trustee of Allchurches Trust who gave a grant of £110,680 towards Apprenticeships.

No other trustees or other related parties have undertaken any material related party transactions with the charity during the year.

14 Controlling Parties

The parent entity and ultimate controlling party of The Historic England Foundation is Historic England (Historic Buildings and Monuments Commission for England) who are the public body that helps people care for, enjoy and celebrate England's spectacular historic environment which they achieve by:

- ▶ Championing historic places
- ▶ Identifying and protecting our heritage
- ▶ Supporting change
- ▶ Understanding historic places and
- ▶ Providing expertise at a local level

Historic England as sole member of the charity and under the charity's articles of association has the power to appoint and remove trustees.

Copies of the consolidated accounts are available to the public and may be obtained from Historic England, The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH or from www.historicengland.org.uk.

15 Events after the Reporting Period

There were no events after the reporting period to be declared in these accounts. The accounts were authorised for issue on the date the Independent Auditor's Report was signed.