

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 'F. Richter', is shown on a light 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.

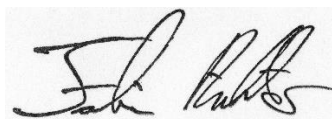
The notes on pages 17 to 24 form part of these financial statements.

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.