

ENGLISH HERITAGE

ANNUAL REPORT

2017/18

THE ENGLISH
HERITAGE TRUST
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COMPANIES HOUSE

"Our ancestors all played their part in creating England as we know it today. So we raise our children to understand history and English Heritage properties are where history comes alive."



"Membership of English Heritage gives me the opportunity that I am helping to preserve these locations and the very essence of our island."

English Heritage cares for over 400 historic monuments, buildings and places - from world-famous prehistoric sites to grand medieval castles, from Roman forts on the edge of an empire to a Cold War bunker. Through these, we bring the story of England to life for over 10 million visitors each year.

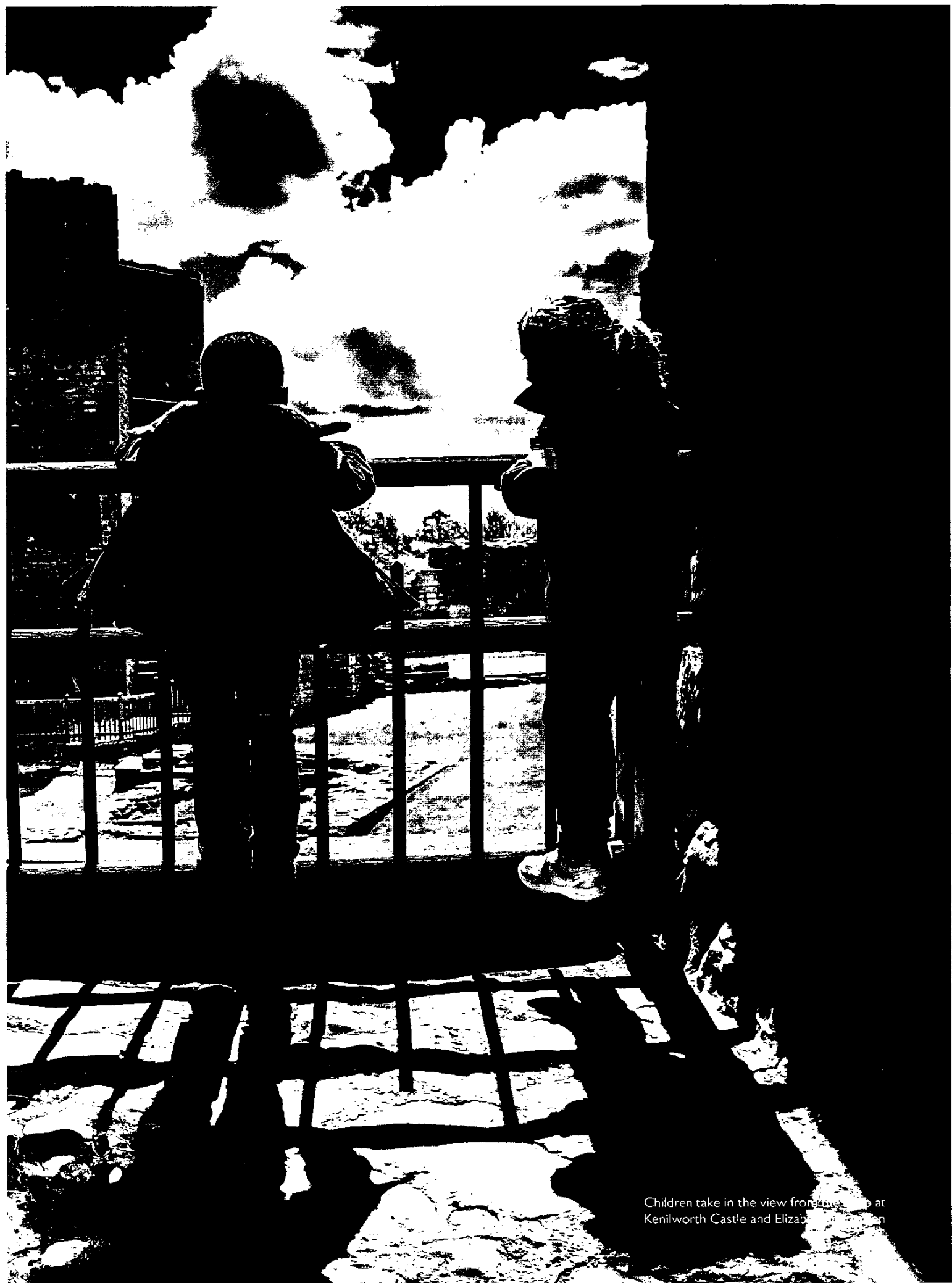
Award winning new exhibition, Portchester Castle

Knight at Kenilworth Castle and Elizabethan Garden; Victoria sponge cake at Dover Castle; wood carved sculpture, 1066 Battle of Hastings, Abbey and Battlefield; schoolchildren at Kenwood; blue plaque, Chelsea; Audley End House and Gardens; conservation work at the Iron Bridge; Marble Hill House; Hailes Abbey; Goodrich Castle; a young visitor at Kenwood; WWII weekend at Dover Castle; wedding at Pendennis Castle; Osborne

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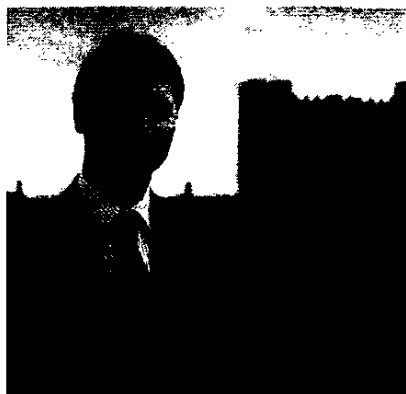
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Children take in the view from the tower at Kenilworth Castle and Elizabethan gardens

REFLECTION ON 2017/18



In 2017/18 we welcomed nearly 6.5 million people to our staffed sites, including some 304,000 schoolchildren on educational visits – a record-breaking total which continues a three-year run of growth. It's a terrific achievement that owes much to the tireless work of our staff and volunteers, as well as some superb projects to enhance visitors' enjoyment and learning.

We invested £42.5 million in the conservation and maintenance of our sites and collections. In many cases, improved visitor facilities and important conservation work go hand-in-hand. At Framlingham Castle in Suffolk, for example, we have invested £1.2 million in renovating and making more accessible the castle's curtain walls, and in creating a new exhibition space, café and shop. At Corbridge Roman Town on Hadrian's Wall, we have brought dozens of unique artefacts out of storage and expertly cleaned them so that they can be enjoyed by the public for the first time.

Specialist conservation work is often a draw in itself. During our £3.6m restoration of Iron Bridge in Shropshire, visitors are able to see the painstaking, once-in-a-century work for themselves from a specially constructed walkway.

Our smaller sites are also flourishing thanks to imaginative new interpretation schemes. At Hailes Abbey in the Cotswolds, people are flocking to see a fascinating new exhibition which explains why it was a major pilgrimage destination in the Middle Ages. At Portchester Castle in Hampshire, we are telling the powerful stories of 2,500 black and mixed-race prisoners of war held there in 1796 – a chapter in England's history which has been often overlooked.

This valuable work is enabled by the support of many individuals and organisations, not least our membership, which will soon surpass a million. The commitment and passion of so many Members gives us great confidence for the future. Volunteer numbers have doubled to over 3,000 since 2015. They add greatly to our organisational capacity by supporting staff and enthusing visitors.

During this financial year, we have won grants of over £5 million from the Heritage Lottery Fund and €1 million from Germany's Hermann Reemtsma Foundation. We secured our first ever grant from Arts Council England, and many other donations from trusts and individuals. All that help is greatly appreciated, but we need substantial additional support to deliver our ambitious programme of conservation and interpretation projects.

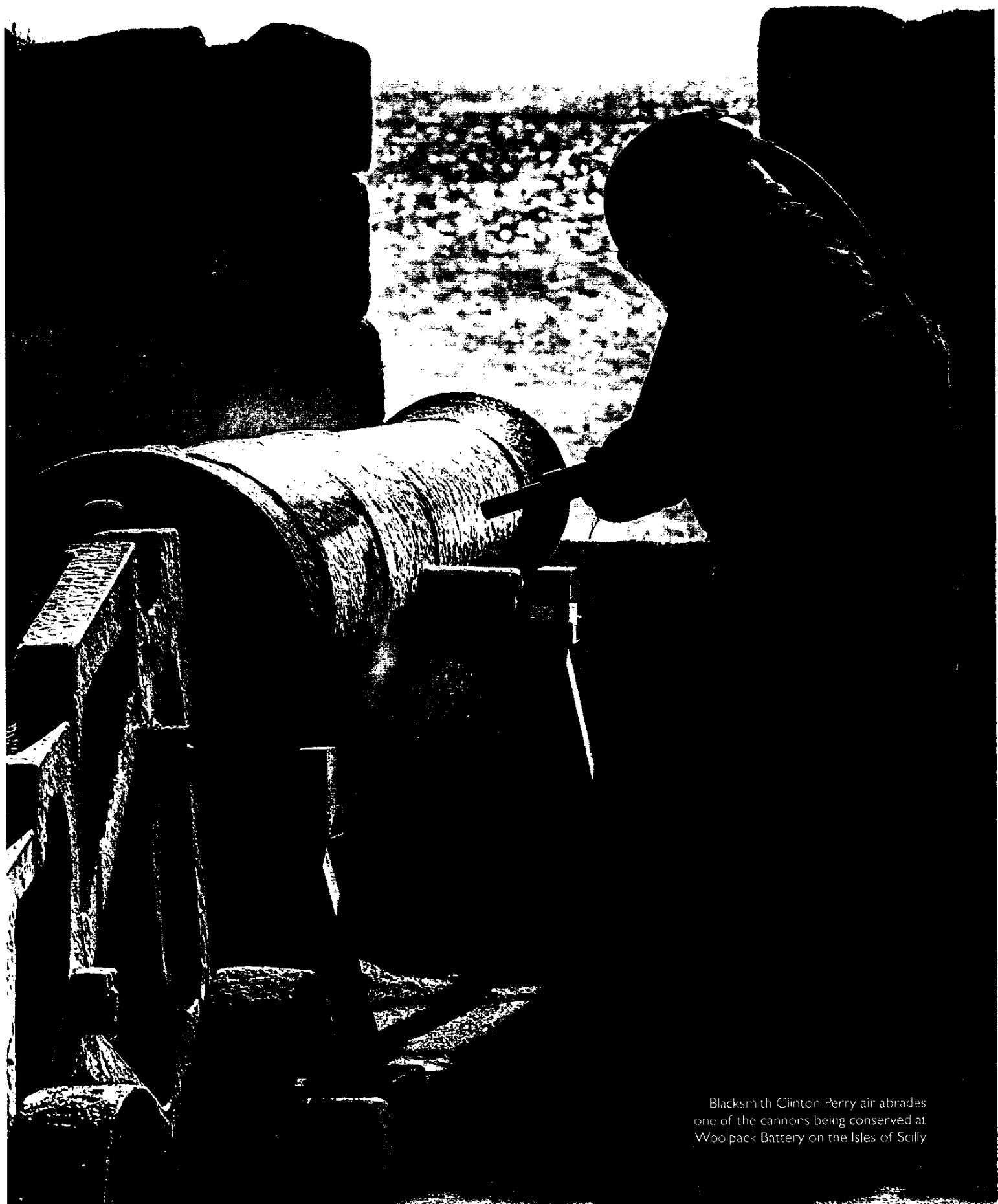
Digital media allow us to connect with many more people both nationally and internationally. This year we partnered with Google Arts & Culture to share the rich stories of 2,000 of our objects online, offering a wonderful educational resource. Our website is now being translated into Mandarin, engaging with a whole new audience. We are working with our two newly joined Trustees – broadcaster David Olusoga and community advocate Kunle Olulode – to ensure we reflect the diverse strands of English society.

For a growing national charity, efficiency and effectiveness go together. A review of our organisational structure has led to changes which will enable us to focus resources more effectively on our charitable objectives, protecting the nation's heritage and inspiring ever more people with its story. Combined with new offices and other streamlining, they will help deliver annual savings of some £3.5 million when fully implemented.

We are on track to becoming a financially sustainable national charity – we're not there yet, but we're very much heading in the right direction.

I am immensely proud of what our wonderful staff and volunteers have achieved, and hugely grateful for the terrific support of Members, other visitors and donors.

Sir Tim Laurence,
Chairman



Blacksmith Clinton Perry air abrades one of the cannons being conserved at Woolpack Battery on the Isles of Scilly

A LEGACY FOR THE FUTURE



As a charity, English Heritage has a vital purpose: to conserve some of our country's most precious historic sites, and to open them up to the widest possible audience, enabling people to experience the story of England where events actually took place. Only by understanding their importance will future generations value these sites as we do.

We are already inspiring more people than ever: our visitor numbers are at an all-time high, and their glowing reports show how much they enjoy their days with us. We will continue to invest in all aspects of our on-site experience, including the way we bring history to life through events, hands-on education and new interpretation schemes. Online, we are investing in a wide range of high-quality educational resources to feed curious minds and delight schoolchildren with fascinating stories.

At Pendennis Castle on the Cornish coast – a vital bastion from Tudor times to the Second World War – visitors will be able to step into the shoes of those who defended our shoreline over the centuries. At North Yorkshire's Mount Grace Priory, House and Gardens, we've worked with award-winning designer Chris Beardshaw to create a magical new Arts & Crafts-inspired garden which will enchant visitors throughout the year. Meanwhile at Tintagel, an elegant new bridge will reunite the island castle with the mainland for the first time since the Middle Ages, so visitors can walk in the very footsteps of the ancient kings of Cornwall.

Of the 400 places in our care the majority are free to visit, from Roman temples to ruined abbeys. We are keen to introduce many more people to these remarkable sites, so we are now working with local communities to further enhance their appeal. Places such as Derwentcote Steel Furnace, built in the 18th century, have incredible stories to tell, and with the generous help of volunteers we can bring them to life for visitors.

It is a huge privilege to look after all our sites and artefacts for future generations, and this year we will be working on a number of world-class conservation initiatives. A highlight will be completing the restoration of the Iron Bridge in Shropshire, which will safeguard this magnificent industrial icon for decades to come. Given the age and variety of our estate, inevitably many of our properties require significant care. By protecting their unique features and historically significant elements, we are ensuring the country's treasures will survive for generations to come.

In 2018, we will also mark a significant anniversary which highlights the value of our work. Until a century ago, our most important prehistoric site, Stonehenge, was in private hands. It was bought at auction, and only saved from dereliction by thoughtful owners, Cecil and Mary Chubb, who bequeathed the stones to the nation in 1918. Thanks to the Chubbs' remarkable act of philanthropy, we have been able to care for and conserve one of the world's most significant monuments ever since.

Anyone visiting Stonehenge will experience the inspirational legacy of that gift. By keeping the story of England alive, and enabling more and more people to play a part in it, we are building our own invaluable legacy for future generations.



Kate Mavor,
Chief Executive



Enjoying the atmosphere at our Enchanted event,
Kenilworth Castle and Elizabethan Garden



A replica of the theatre built by 19th-century French prisoners of war, Portchester Castle

OBJECTIVES AND ACTIVITIES

English Heritage started operating as an independent charity on 1 April 2015 and its objectives, set out in its Articles of Association, are:

- To conserve the National Heritage Collection of over 400 unique sites and monuments, in keeping with their status as part of England's national heritage.
- To bring history to life in the places where it happened by opening up the sites and monuments to public access, through exhibitions, events and educational programmes, supported through our online content.
- Through the blue plaques scheme, to advance public appreciation of the history of buildings and landmarks in London by showing where men and women of historical, artistic, scientific and religious significance lived and worked.

As part of this new freedom to operate outside of Government control to determine our own future, a financial model, known as the New Model Contractual Framework, was developed whereby we received a grant of £80 million from Historic England on 31 March 2015 (hereafter called the New Model grant). This enables us to undertake more of the challenging work needed to invest in this unique portfolio of sites and monuments.

This New Model grant is being used over an eight-year period up to 2022/23 to address urgent conservation defects at our sites (£52 million) and invest in new commercial programmes (£18 million), such as new visitor facilities and exhibitions, as well as updating the presentation and interpretation of smaller sites (£10 million) that would not normally qualify for commercial investment.

This funding is being supplemented by tapering annual subsidies until 2021/22 to support English Heritage in its transition to becoming financially self-sufficient.

In 2018 we will be reporting to the Department for Digital, Culture, Media & Sport (DCMS) on how we are performing against the New Model Business Case and how effectively we are spending the New Model grant.

We have four priorities that underpin all of our work:

- Inspiration: we will create inspiring and enjoyable experiences for everyone at our sites, online and in print, enabling people of all ages to share in and pass on the story of England.
- Conservation: we will make sure our historic sites and artefacts are expertly cared for so that they can be enjoyed by future generations.
- Involvement: we will find new ways to involve more people in our work. Our heritage is for everyone and people are keen to participate in protecting and illuminating it.
- Financial sustainability: we will ensure that we are financially independent by 2022/23.

We have agreed a set of eight key performance indicators, which we are using to assess our success in delivering our four priorities each year. These cover financial indicators such as the use of the different elements of the New Model grant and our trading performance, our membership base and visitor numbers, our fundraising targets, as well as our success at engaging with the general public and working with volunteers. How we have performed against these priorities is set out in the Strategic Report from page 10.

Public benefit

In shaping the objectives for the year and planning the Charity's activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging in compliance with their duty under section 4 of the Charities Act 2011.

In setting the level of charges and concessions, the Trustees have given careful consideration to the accessibility of the sites and monuments to all members of the public, whatever their means.

Access to the majority of our sites is free, including to one of our most popular properties, Kenwood, and we offer free entry to pre-booked learning groups at all our pay-to-enter sites. In 2018/19 we are converting three small sites from fee-paying to free-to-enter, and will continue to convert a small number each year in the coming years. Our website contains a wealth of materials, available free of charge, such as teachers' kits, to help prepare for school visits, and myriad articles about the sites and monuments for which we care, including our conservation work. These pages are a rich and unique resource containing concise and authoritative histories and descriptions of our sites and their collections, and explaining why they matter.

Chargeable activities include admission to our major sites including Stonehenge, Dover Castle and Osborne. However, concessionary and family tickets are available. Our membership schemes provide a substantial discount for our regular visitors and are competitive compared to similar organisations. We also include free entry for up to six accompanying children, under the age of 19, per adult Member.

ACHIEVEMENTS AND PERFORMANCE: INSPIRATION

We create imaginative experiences where visitors can do more than just see where history was made – they can touch, hear and respond to it. Whether at our sites or online, we want every visitor to be inspired by the story of England.

Significant investment in 2017/18 enabled us to continue to create new on-site experiences and maintain a high average visitor experience score of 8.8 out of 10 in our annual Visitor Survey – with Battle Abbey notably scoring an average of 9. Visitor ratings of 'excellent' for our performance in 'bringing history to life' increased significantly from 2016/17.

Online, exciting initiatives and fresh content continue to engage the public. We have had over 15.9 million visits to our website and blog – a year-on-year increase of 19%.

Here are some of the projects that inspired visitors to step into England's story and explore nation-shaping events from the past.

Creating new on-site visitor experiences

Framlingham Castle underwent a £1.2 million regeneration. This Suffolk fortress, where Mary Tudor mustered supporters before being proclaimed queen, has many stories to share. By reinstating a mezzanine level in the workhouse, we created a new exhibition to do justice to these

thrilling tales. At Hailes and Battle new museum displays are sharing the stories of two great medieval abbeys. And at St Augustine's Abbey visitors can use virtual reality headsets to tour the abbey as it would have looked in the early 16th century. These new experiences are drawing visitors into pivotal moments in history and tracing the evolution of England's spiritual landscape.

Temporary installations and year-round events invited visitors to see some properties in a new light. At Stonehenge, our 'Feast!' exhibition revealed the spectacular ceremony and scale of prehistoric feasting. And at Chesters Roman Fort, where 480 horses were stabled in Roman times, 'Cavalry 360°' recreated the sound of charging horses. Visitors explored gardens lit up after dark as part of our 'Enchanted' events and enjoyed our first 13th-century joust, held at Beeston Castle.

Delving into previously unexplored histories

We've done more this year to share lesser-known stories from our sites. A new exhibition at Portchester Castle revealed how 2,500 black and mixed-race prisoners of war were held there in 1796. It won a Special Recognition Award at the UK Heritage Awards for research and interpretation. In London, we unveiled new plaques to celebrate the lives of 12 extraordinary people, including such inspirational women as Mary Macarthur and Stella, Lady Reading.

Enthusiasing future generations

One of our greatest passions is encouraging a love of history among children – nourishing their sense of wonder through magnificent surroundings and helping them to understand the world today. In 2017/18, more than 304,000 schoolchildren explored our sites – many enjoying Discovery Visits newly available at three of our castles and a wealth of online resources. Visitors rated their trips very highly in our Education Visitor Experience Survey – our average overall visitor experience score was 8.7 out of 10. And as part of our new exhibition at Deal Castle, families can enjoy hands-on activities as they explore this Tudor artillery fort.

New online experiences

Digital initiatives have helped us reach a wider audience than ever before. In 2017, we partnered with Google Arts & Culture to showcase more than 2,000 objects at 29 of our sites. It's the first time Google Arts & Culture has worked with a heritage organisation and the project won the Contribution to Heritage Award at the UK Heritage Awards.

Our social channels have also grown rapidly. YouTube traffic has increased to over 8.8 million video views, from less than a million in 2016/17. This has largely been fuelled by the success of our Mrs Crocombe videos of Victorian domestic life at Audley End, which have truly captured the public's imagination. We now have over 100,000 subscribers and received our Silver Creator Award from YouTube to mark this achievement.



+304,000

schoolchildren
visited our sites



+100,000

YouTube
subscribers

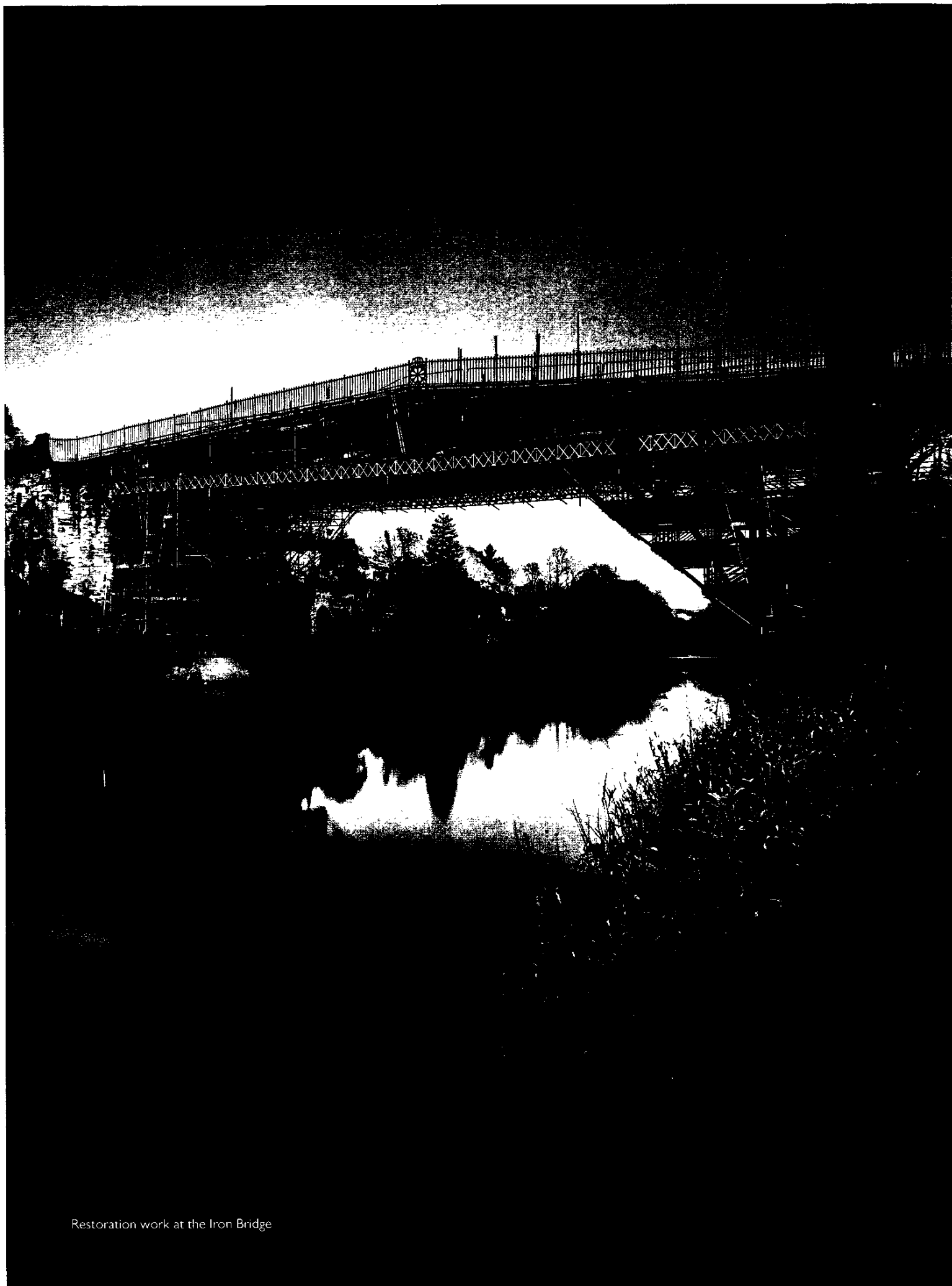


£1.2 million

invested revitalising
Framlingham Castle



Olympian Victoria Pendleton learns to joust at
Kenilworth Castle and Elizabethan Garden



Restoration work at the Iron Bridge

ACHIEVEMENTS AND PERFORMANCE: CONSERVATION

We work year round to make sure our sites and artefacts are expertly cared for and that the nation's unique historic treasures are protected – both for today's visitors and future generations. This underpins our ability to help people experience history where it happened and share in the story of England.

This year, we embarked on our most ambitious conservation initiative yet. We are undertaking a £3.6 million restoration of the Iron Bridge in Shropshire to ensure the world's first iron bridge survives to tell the story of how the Industrial Revolution transformed the world and continues to shape our lives today. The work itself also offers a unique visitor experience, with a special walkway that has been constructed alongside this iconic span, so the public can see the work in progress. Along with our 'hard hat' tours, visitors can enjoy displays detailing the expert techniques being used to save the structure.

Substantial projects

Elsewhere, we have finished a number of substantial conservation projects, such as the £670,000 restoration of the Archer Pavilion at Wrest Park. We have repaired and weatherproofed its domed roof so that visitors will be able to enjoy the magnificent

trompe l'oeil painting on the ceiling for years to come. At Osborne, we have repaired the lower terrace, which has since been opened to the public for the very first time. The conservation work carried out here included the restoration of the shell alcove, based on historic paint analysis, and has been nominated for a Royal Institution of Chartered Surveyors (RICS) Heritage Tourism award.

We also completed two major castle projects. As part of our £1.2 million transformation of Framlingham Castle, we carried out extensive stone masonry repairs to its curtain walls. And we finished a significant £1.6 million project at Hurst Castle to repair 20th-century additions including the wartime lookout tower and gun emplacements, allowing people to continue to enjoy and learn from them.

Preserving our artefacts

Our wide-ranging conservation expertise has seen us tackling everything from two pairs of medieval spectacles worn by the monks at Hailes Abbey and Battle Abbey, to the Andover Album at Kenwood, an 18th-century scrap-book, conserved with support from the Friends of Kenwood. We have also preserved some of the 18th- and 19th-century cannons exposed to the elements on Tresco, and a Second World War gun at Tynemouth Priory, launching our 'Save our Cannons' campaign to help us continue this valuable work.

With 535,300 historically significant artefacts in our care, we've been doing more this year to help combat clothes moth damage to fabrics and furnishings. To help our conservators understand more about these pests, our Operation Clothes Moth initiative called on the public to monitor and trap moths in their homes and share their findings on our website.

Conserving our paintings

Jacob Huysmans' portrait of Jemima Crew and her sisters has returned to Wrest Park after a century. This charming portrait of three young girls was sold in 1917 and reacquired two years ago. Some 300 hours of cleaning by our fine art conservators has revealed its luscious colours. Joshua Reynolds' *Venus Chiding Cupid*, at Kenwood, was examined as part of Alexandra Gent's doctoral research, establishing that it was Reynolds' first version of a subject he painted many times.

New additions

We have developed our collections in 2017/18 too, including the acquisition of a signed first edition of Bram Stoker's *Dracula* that will form part of a new exhibition at Whitby Abbey (a key location in the novel). We also acquired at auction a watercolour of Whitby Abbey, by local painter George Weatherill. It illustrates to visitors the importance of the abbey as a place of inspiration for tourists and locals alike throughout the 19th century.



2

pairs of medieval spectacles conserved



£670,000

invested in repairs to the Archer Pavilion, Wrest Park



11

cannons conserved on Tresco

ACHIEVEMENTS AND PERFORMANCE: INVOLVEMENT

We believe that the buildings we care for should be enjoyed, and supported, by as many people as possible. In 2017/18, we have continued to deepen the involvement of our supporters, each of whom plays a vital role in sharing the story of England and keeping it alive.

We would like to thank our Members, donors, legators, corporate sponsors, volunteers, partners, visitors and friends for their generosity and valued support. Without them, we would not have been able to undertake such a diverse range of projects this year. In 2017/18, we involved even more people, with a notable rise in volunteer numbers.

Valuing our volunteers

We are proud to have more than 3,000 volunteers fulfilling roles across the Charity. They support our staff on site, and many also choose to act as ambassadors for us off site, personally promoting English Heritage within their local networks.

Once again, volunteers played a vital role in bringing the story of England to life. From organising the 'Sale' event at Wrest Park – which celebrated 100 years since the auction of the property's contents – to supporting free-flow visits at

Ranger's House, they enabled us to better engage with visitors and to increase our opening hours.

The teams also continue to provide crucial support for our large-scale capital investment projects. At Pendennis Castle, we have recruited over 30 volunteers in six additional roles to help launch a new visitor experience next season. And local volunteers are supporting interpretation projects introduced at free sites too, such as the magnificent Iron Age hillfort of Maiden Castle in Dorset. While at Iron Bridge in Shropshire, volunteers are giving scaffolding tours of the underside of the bridge, helping visitors enjoy an exciting experience of conservation in action.

Teaming up with local communities

We have continued our work to forge stronger connections between sites and their local communities, hosting public events at over 25 of our properties in the past year. At Brodsworth Hall we invited people to join us at 'The Great Get Together', a free event to celebrate the life of the late Jo Cox MP. Almost 900 visitors – more than three times the average Saturday figure – enjoyed garden games, live music and tours led by volunteers in her former constituency.

We want to deepen local engagement with our on-site projects too, such as the new bridge at Tintagel Castle. As part of planning work for this, we held two local stakeholder

engagement days so local residents and businesses could find out more about the project from the team and give us valuable comments.

Engaging our younger Members

During 2017/18, younger Members have helped develop new ways to make the story of England come alive for Member families. In our newly relaunched kids' magazine, we invited children to create models to inspire others to learn. From a mini henge to a Roman mosaic, we have seen some impressive entries, which are now encouraging more children to get involved. Other youngsters have shown their imaginative flair by donning costumes to interview re-enactors from the past. Available to view in the new kids' section of the online Members' area, these videos have shared the stories of our sites in a fun way and proved popular with children, parents and school teachers alike.

Building new partnerships

Mutually rewarding partnerships offer much-valued support to our sites. Last year, volunteers from the national partner-led project Observatree carried out surveys across our gardens as part of their study into the pests and diseases that threaten the UK's trees and woods. The volunteers worked with us to spot early warning signs of significant problems on or around our sites – providing welcome support for our gardening teams across the country.



153,000

hours given
by volunteers



25

properties hosted
community events



337

garden roles filled
by volunteers



Volunteer gardeners at
Audley End House and Gardens



Visitors in the new café
at Framlingham Castle

ACHIEVEMENTS AND PERFORMANCE: FINANCIAL SUSTAINABILITY

This year we have made steady progress towards our goal of becoming financially sustainable by 2022/23. To achieve this, we're growing our charitable, commercial and fundraising income and keeping our costs tight.

We'd like to acknowledge the ongoing support of Members, visitors, donors, legators, grant givers, licensees, sponsors and partners. You all make our work possible – thank you for helping to secure the future of England's heritage.

Growing our membership support
Members are a vital piece of the jigsaw in achieving financial sustainability. We are now supported by 969,000 Members and were delighted to welcome a record-breaking 318,000 new Members last year. Membership has contributed an income of £33.8 million.

Welcoming more visitors
As we continue to invest in our properties and events, our visitor numbers keep climbing. In 2017/18, we hosted 6,463,000 total visitors to staffed sites – up 580,000 (10% on 2016/17).

Overall we saw a 23% rise in the number of visitors during events, to 1,263,000. Evening activities were particularly successful. We extended our opening hours, have reached

out to overseas markets and are translating our website into Mandarin.

We have welcomed a further 500 people for overnight stays at our holiday cottages. The 13% year-on-year growth in income generated has allowed us to reinvest in these unique locations.

Selling like hot cakes...

The dedication and enthusiasm of our staff and volunteers have helped encourage more additional purchases than ever before.

With new cafés opening at sites across the country, from Stokesay Castle to Framlingham Castle, catering has delivered £8.4 million of income (up from £7.3 million the previous year). Retail also continues to build on its past success. Over 450 new lines have been added in our on-site shops including our own bespoke gin, plus we have collaborated with leading luxury outerwear brand Barbour to launch a custom-made range for Stonehenge.

Furthering our fundraising
In 2017/18, English Heritage received new pledges totalling £10.6 million – including grants, donations and sponsorship. We are grateful for the continued support of the Heritage Lottery Fund, which has supported several significant projects this year, including the creation of an endowment fund of £1 million to support our free sites, to be matched by other donations over the next four years. We are delighted to acknowledge those who have given over £1,000 to the Charity on page 68.

Our appeal for the Iron Bridge was supported with a remarkable €1 million gift from the Hermann Reemtsma Foundation, a German charitable foundation that supports cultural and social projects undertaken by heritage bodies, and through our first ever crowdfunding campaign, which beat its target within 48 hours. This year we have also secured our inaugural grant from Arts Council England since becoming a charity.

Lights, camera, action!

Funds of £1.4 million have been generated from filming activity at sites, including four feature films and more than 20 other activities such as costume dramas and fashion shoots.

Reallocating resources

We've taken significant steps this year to improve efficiency across the Charity. Our new organisational structure has enabled us to strengthen our strategic focus, create clear centres of excellence, identify substantial efficiency savings, develop new opportunities, and grow our capacity to engage more actively with others in partnership. Together with relocating to a new London office, which is around £500,000 cheaper to run each year, these changes mean we face the future in a much stronger position.

This year our trading surplus has grown from £21.1 million to £28.4 million. We spent £6.9 million of the New Model grant in 2017/18.



£10.6 million

new pledges and contracts made this year



23%

rise in numbers visiting during events



450

new lines added in our shops

FINANCIAL REVIEW

English Heritage was established as an independent charity with effect from 1 April 2015, underpinned by the New Model Contractual Framework (New Model) between English Heritage and Historic England. Under the New Model, English Heritage was granted an eight-year licence to operate the National Heritage Collection (which will remain in Historic England's ownership), with the freedom to pursue its own strategy in order to achieve financial self-sufficiency by 2022/23.

The funding arrangement of the New Model covers the one-off New Model grant of £80 million, together with tapering annual subsidies up to 2021/22. The £80 million New Model grant is structured as restricted funds, meaning we can only use it for the specific purposes for which it has been designated, which are:

- £52 million for addressing the most urgent top three categories of conservation defects in the collection as identified in our asset management plan.
- £28 million on new commercial investments such as visitor facilities and infrastructure (£18 million), as well as on updating the presentation and interpretation of small and medium-sized sites that would not normally qualify for commercial investment (£10 million).

Under the New Model, the operational risks and rewards of running the National Heritage Collection are transferred to English Heritage.

In March 2015, we published our Launch Plan, which covers the eight-year period from 2015/16 until 2022/23 (derived from the New Model Business Case) and demonstrates how we will achieve financial sustainability. Overall, we have exceeded the projections in the Plan in our first three years, and the third year (2017/18) is summarised in the table below: Our performance in each of the first three years of trading is set out on the opposite page. This shows us delivering a financial performance that exceeds the Launch Plan in each of these years. Net income relates to total income less total expenditure excluding use of the £52 million New Model grant. This is a key indicator to demonstrate our success in moving towards financial sustainability.

In 2017/18, we delivered income of £116.0 million compared to the Launch Plan of £105.1 million, notably, due to a strong performance from memberships

2017/18 ACTUAL VERSUS LAUNCH PLAN

	Actual £'000	Launch Plan £'000	Variance £'000
INCOME FROM:			
Donations and Legacies	7,068	5,700	1,368
Licensing, Sponsorship and Advertising	827	1,010	(183)
	7,895	6,710	1,185
Conserving Our Properties	1,259	-	1,259
Running Our Properties	27,481	26,190	1,291
	28,740	26,190	2,550
Membership and Admissions	64,579	57,700	6,879
New model tapering annual subsidy	14,693	14,500	193
Investments	96	-	96
Total	116,003	105,100	10,903
Expenditure	(107,821)	(100,300)	(7,521)
Net income/(expenditure) before use of New Model £52m grant	8,182	4,800	3,382
Use of New Model £52m grant	(6,914)	(6,500)	(414)
Net income/(expenditure)	1,268	(1,700)	2,968

and admissions (actual: £64.6 million; Launch Plan: £57.7 million).

Revenue expenditure, at £107.8 million, exceeded the Launch Plan of £100.3 million as we continued to invest to drive growth in revenue. As a result, we achieved net income of £8.2 million, which was £3.4 million better than the Launch Plan net income of £4.8 million.

Additionally, we spent £6.9 million of the £52 million New Model grant on conservation and restoration projects (bringing total revenue expenditure to £114.7 million), which compares with the Launch Plan spend of £6.5 million. Cumulative spend over our first three years was £3.4 million ahead of plan at £22.9 million against the Launch Plan spend of £19.5 million. In addition to the above, we spent £6.3 million of the £28 million New Model

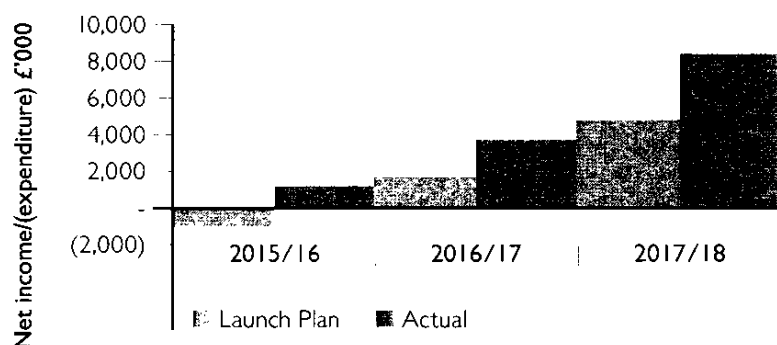
grant in 2017/18 which compares with the Launch Plan of £3.5 million. Cumulatively, spend is £6.4 million ahead of plan at £16.9 million against the Launch Plan sum of £10.5 million. This expenditure is capital in nature.

Statement of Financial Activities (SOFA)

The SOFA is the Charity's Income & Expenditure account. Income of £116.0 million (2016/17: £103.0 million), consisted of:

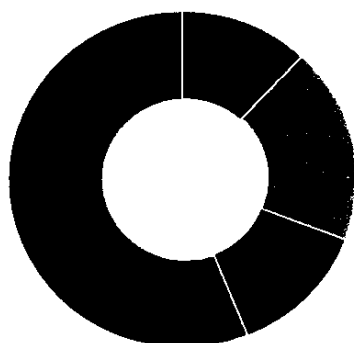
- Donations and Legacies, and Licensing, Sponsorship and Advertising, raised £7.9 million (2016/17: £4.5million).
- Memberships and Admission to our sites rose to £64.6 million (2016/17: £57.8 million). This was based on an increase in membership income to £33.8 million (2016/17: £31.1 million) and admissions income of £30.4 million (2016/17: £26.1 million).
- Conserving our Properties generated £1.3 million (2016/17: £1.5 million), comprising mainly rental and service charge income from our properties. The small reduction is primarily due to a change in the billing and is partially offset by cost savings in Running Our Properties.
- In addition, we received £14.4 million (2016/17: £14.4 million) of grant-in-aid funding from Historic England under the New Model arrangement, whereby English Heritage receives tapering funding until 2021/22, after which the Charity is intended to be financially sustainable. We also received £0.3 million (2016/17: £0.3 million) from Historic England for the provision of services throughout the year.

NET INCOME: ACTUAL COMPARED TO LAUNCH PLAN FOR THE FIRST THREE YEARS



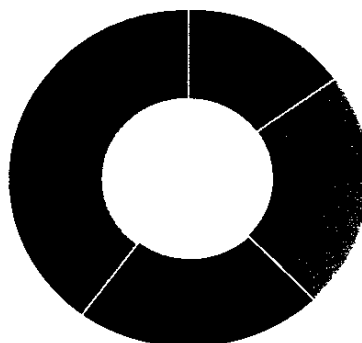
USE OF THE £80 MILLION NEW MODEL GRANT IN THE FIRST THREE YEARS IS SHOWN BELOW

USE OF £52M CONSERVATION MAINTENANCE GRANT



12% in 2015/16 19% in 2016/17
13% in 2017/18 56% remaining

USE OF £28M CAPITAL INVESTMENT, INTERPRETATION & PRESENTATION GRANT



15% in 2015/16 23% in 2016/17
22% in 2017/18 40% remaining

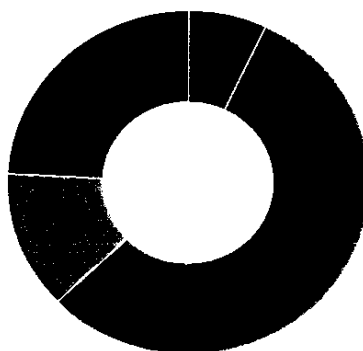
- Running our Properties generated income of £27.5 million (2016/17: £24.5 million), which includes retail (£14.9 million, 2016/17: £13.7 million), catering (£8.4 million, 2016/17: £7.3 million), and hospitality, filming, weddings, holiday cottage and other trading income (together £4.2 million, 2016/17: £3.5 million).

Expenditure was £114.7 million (2016/17: £109.2 million) including £6.9 million (2016/17: £9.5 million) in respect of the £52 million New Model grant. This comprises:

- Fundraising and Licensing, Sponsorship and Advertising costs of £1.4 million (2016/17: £1.2 million), which includes volunteering costs of £0.2m (2016/17: £0.2 million). The cost of fundraising for 2017/18 was 15p (2016/17: 24p) spent for every £1 raised, which compares favourably with the sector average of 24p (Institute of Fundraising, Fundratios Summary 2013).
- Running our Properties costs of £22.0 million (2016/17: £20.2 million) including the Retail and Catering operations.
- Conserving our Properties through maintenance and curatorial works, and conservation, costs of £35.6 million (2016/17: £32.9 million). This includes major ongoing expenditure to conserve the monuments and sites, and will result in a net expenditure position in the restricted column of the SOFA for the foreseeable future, as this expenditure is being funded by the £52 million New Model grant, fully recognised on 31 March 2015, and the balance of which is held in restricted reserves.

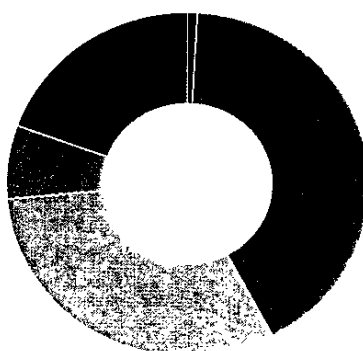
- Membership and Admissions costs of £47.9 million (2016/17: £44.5 million), including costs for marketing, events and on-site visitor services staff, which promotes footfall to the sites and supports the acquisition and retention of Members.

INCOME BY ACTIVITY 2017/18



- 7% Licensing, Sponsorship and Advertising
- 56% Membership and Admissions
- 1% Conserving our Properties
- 13% New Model (tapering subsidy)
- 24% Running our Properties

EXPENDITURE BY ACTIVITY 2017/18



- 1% Fundraising and Licensing and Sponsorships
- 42% Membership and Admissions
- 31% Conserving our Properties
- 7% New Model (use of £52 million New Model grant)
- 19% Running our Properties

Our income and expenditure is summarised in the charts below.

English Heritage comprises two legal entities. Our charitable activities, notably operating the sites and monuments for public benefit, including hospitality, and our conservation work, are carried out through The English Heritage Trust.

Non-primary purpose trading and activities chargeable to corporation tax are carried out by the wholly-owned subsidiary, English Heritage Trading Limited. Non-primary purpose activities include retail and catering as well as sponsorship, filming and licensing. The results from the subsidiary are consolidated on a line-by-line basis in the results of English Heritage (The results are shown in Note 5).

The unrestricted SOFA delivered net income of £7.4 million (2016/17: £2.5 million). The restricted SOFA generated net expenditure of £6.2 million (2016/17: £8.7 million), representing use of the £52 million New Model grant and other restricted funds, which are available for use in accordance with the grantors' and donors' directions. There are over 20 of these funds (see Note 30). The 2017/18 SOFA includes an additional column to reflect transactions relating to endowment funds, which delivered net income of £0.1m for the year. No such funds existed prior to 2017/18. Overall net income is therefore £1.3 million (2016/17: net expenditure of £6.2 million).

Below the net income/ (expenditure) line, the SOFA reflects the following items:

- A transfer between restricted and unrestricted reserves of £6.5 million (2016/17: £7.4 million) relating to:
 1. the reclassification of capital expenditure from the £28 million New Model grant and other restricted capital funding to unrestricted to reflect the nature of the assets that have been created,
 2. the release of restricted reserves against qualifying spend during the year
- Other recognised gains relating to the revaluation of fixed assets (see Notes 14 and 15) of £0.6 million (2016/17: £0.2 million), which are all unrestricted.

The overall net movement in funds is therefore a surplus of £14.5 million (2016/17: £10.1 million) on unrestricted reserves, a deficit of £12.7 million (2016/17: £16.1 million) on restricted reserves, and a surplus on endowment reserves of £0.1 million, which, combined, amount to a surplus of £1.9 million (2016/17: deficit of £6.1 million). The net asset position of English Heritage remains positive, as shown in the next two sections.

Despite the strong results we have delivered in our first three years of independence, we recognise that, in the years ahead, we are likely to be facing an operating environment that may not be easy. Therefore, in 2017/18 we undertook a review of the way we ran English Heritage to ensure that we were focusing our resources optimally in order to deliver our charitable objectives and to achieve financial sustainability by 2022/23. We prepared a new financial trajectory, extending beyond the term of the Operating Licence (licence to care for and operate the National Heritage Collection in pursuit of the objectives laid out on page 9), reflecting the significant changes within the Charity and in the external environment that had arisen since the New Model Business Case had been prepared in 2014/15. As a result of our decision to look at our organisation design we have made changes that we believe will make us more sustainable for the future, whilst enabling us to focus more resources on conservation and stewardship of the National Heritage Collection and bringing history to life for the millions of visitors who enjoy our sites and monuments each year. These changes took effect on 1 April 2018. The costs of these changes, estimated at £2.0 million, have been reflected in our results for 2017/18. These revised financial plans will be discussed with DCMS as part of a formal review of the Charity's progress under the terms of the Operating Licence.

Net movement in funds

Total funds increased from £66.2 million on 1 April 2017 to £68.1 million on 31 March 2018. This increase of £1.9 million is largely due to the net effect of a strong trading performance for the year offset by expenditure linked to the New Model grant.

Balance Sheet

Funds at 31 March 2018 of £68.1 million (2017: £66.2 million) can be analysed as follows:

- £43.2 million of restricted reserves.

The reduction in restricted reserves from £55.9 million at the start of the year is due to expenditure on conservation and capital investment during the year, in accordance with the terms of the New Model grant and other restricted funding terms. The year-end position consists of the balance remaining of the New Model grant of £40.2 million (2017: £53.2 million), followed by the Elizabeth Wagland Fund of £1.1 million (2017: £1.1 million). There are over 20 (2017: 20) further restricted funds, covering individual sites and the blue plaques scheme, which total £2.0 million (2017: £1.6 million). For details, see Note 30.
- Unrestricted reserves amount to £24.8 million (2017: £10.3 million).

The increase in unrestricted reserves by £14.5 million is the effect of:

 - Our trading activities resulting in net income of £7.4 million.
 - The transfer from restricted reserves of £6.5 million relating to the utilisation of restricted funds, also mentioned above.
 - A fixed asset revaluation gain of £0.6 million.

Included in unrestricted reserves is £0.1 million designated reserve in respect of Osborne.

Basis of preparation

In adopting the going concern basis for preparing the financial statements, the Trustees have considered the business activities and principal risks set out on page 23. The Trustees have reviewed the latest financial forecasts and are satisfied that English Heritage continues to adopt the going concern basis in preparing its financial statements.

Reserves policy

After the end of the Charity's third year of trading, the Trustees have reviewed the reserves policy to determine a realistic and appropriate policy, which:

- Helps safeguard the continuity of the Charity's operations in the event of a significant unexpected disaster; and
- Is not too restrictive, in order that we continue to maximise the resources we invest in our charitable activities.

In determining a realistic level of reserves, the Trustees have assessed the level of risk associated with the main income and expenditure streams, the adequacy of the controls in place to mitigate those risks, and other likely sources of funds available to call on in an emergency. This is balanced by the obligations to continue to invest in order to pursue the objectives of the Charity within a reasonable period of receiving funds. The size of the Charity's reserves is an inherent part of the risk management process and the need for reserves is dependent on our financial position and our assessment of the many risks we face at a particular time.

At the point of its creation, the Charity had minimal free reserves. The aim is, therefore, for the Charity to build up sufficient free reserves of its own over the term of the Operating Licence, up to 31 March 2023. To do so, our long-term goal is to improve our operating performance – and so increase the level of reserves – and to ensure that,

as far as possible, restricted funds are used before unrestricted ones.

Currently, the target level for free reserves is set at £5 million, and the intention is to achieve this in five years' time. Free reserves are defined as general funds less the net book value of fixed assets included within general funds (see Note 31). Free reserves at 31 March 2018 were £2.8 million (2017: (£4.0) million).

Taking the above into account, the Trustees are comfortable that the current reserves policy is proportionate and achievable.

Pension

English Heritage makes contributions into a defined contribution pension scheme administered by Legal and General Assurance Society Limited, which was set up for new employees from 1 April 2015.

The Charity also contributes to the Civil Service Pension arrangements for employees who transferred under TUPE to the new Charity from 1 April 2015. Under the Government New Fair Deal agreement these employees retain eligibility for the Principal Civil Service Pension Scheme (PCSPS) arrangements following transfer. The arrangements comprise a number of different schemes, most of which are defined benefit and a small minority are defined contribution, with employer contributions varying depending on the specific scheme. Contribution levels are determined by the Cabinet Office, which, through the PCSPS, is responsible for the liabilities under the various schemes. The Charity has no liabilities to the scheme beyond the annual pension contributions made on behalf of its employees.

Investments

Surplus funds are held as cash deposits with banks. The policy is to place funds on deposit with the

larger London-based UK banks, with no more than £10 million deposited with any one institution. Monies are deposited for a range of time periods in accordance with working capital needs. The longest notice period for any deposit is 12 months.

The undrawn balance of the New Model grant (£40.3 million at 31 March 2018) is held by the Government Banking Service (GBS), does not earn interest, and can be drawn down on demand. The balance of unrestricted funds at 31 March 2018 was £24.3 million, deposited with commercial banks (see Note 22).

Supplier payments policy

English Heritage observes the principle of paying supplier invoices in accordance with contractual obligations or, where no such conditions exist, within thirty days of the later of the receipt of goods and services or of a valid invoice. Our policy is to pay all invoices not in dispute in accordance with these arrangements. Payment runs are twice weekly. In 2017/18, 90% (2016/17: 91%) of invoices were paid within 30 days of date of invoice and 96% (2016/17: 95%) within 40 days. The Charity also contributes to the Civil Service Pension arrangements for employees who transferred under TUPE to the new Charity from 1 April 2015. Under the government New Fair Deal agreement these employees retain eligibility for the Principal Civil Service Pension Scheme (PCSPS) arrangements following transfer. The arrangements comprise a number of different schemes, most of which are defined benefit and a small minority are defined contribution, with employer contributions varying depending on the specific scheme. Contribution levels are determined by Cabinet Office, which, through the PCSPS, is responsible for the liabilities under the various schemes.

PRINCIPAL RISKS AND UNCERTAINTIES

Effective risk management is key to successfully delivering our strategy and developing a sustainable charity.

Our risk management strategy includes: a detailed review of the corporate risk register by the Audit and Risk Committee at each of its meetings, in each case after a formal review at the preceding Senior Management Team meeting; an annual review by the Board of Trustees, as well as a high-level review of the principal risks at all other meetings of the Board; and the development of systems and procedures to mitigate identified risks and to minimise any potential impact should any risks materialise. The corporate risk register has existed in its current format since April 2016. In January 2018, the risk register was comprehensively reviewed by the Senior Management Team to ensure that the register continued to reflect those risks that might prevent us from achieving our strategic goals. The risk appetite for each risk was determined, setting out the steps to be taken, and timeline, to achieve that acceptable risk rating.

The principal risks facing English Heritage, and how they are being managed, are considered to be:

■ **Financial sustainability.** The risk to being able to fulfil our charitable objectives by continuing as a going concern is controlled by ensuring financial projections are regularly reviewed and updated. A major exercise was undertaken in 2017/18 to update our longer-term forecast beyond the end of the Operating Licence to reflect the changes within English Heritage and in the wider economic environment that had arisen since the launch of the Charity in 2015. This financial trajectory demonstrates that we remain on course to achieve financial sustainability. Income diversification, notably to increase fundraising and commercial revenues, cost control and efficiency savings, and tight financial controls to ensure budgets are balanced, are a priority. The United Kingdom's exit from the European Union brings additional risk, as well as potential opportunities. Relationships with contractors are carefully managed in order to minimise the risk of suppliers' poor performance, contract dispute, and their financial weakness.

■ **Organisational stretch.** Overstretched resources could adversely impact both the visitor experience and employee relations. We focus on ensuring that we have the right combination and number of roles to support delivery of the business plan, and projects are carefully prioritised by the Senior Management Team in support of our strategic goals, notably with regard to delivering the investment and conservation programmes needed to attract visitors and grow the Member base. We recognise the additional challenge of continuing to deliver ambitious financial targets whilst operating with a new organisational structure, and staff are being supported with mentoring and training as necessary. The relocation of our London office in October 2017 occurred smoothly and was managed by a dedicated team of specialists, and has resulted in a team-based, flexible working environment, with London office staff now located in a single open-plan office, and at a substantially reduced cost.

- **Employee relations.** Maintaining good relations with our employees is essential and we do this by means of regular newsletters, team briefings, staff conferences, and meetings with our two recognised trade unions, in order to cascade information about business performance and plans for the future, and to invite feedback. We are grateful to our unions for their support and their strong engagement with our recent organisation design work. We have developed a People Plan, through which we aim to attract and retain a highly motivated, diverse workforce, fully engaged with English Heritage and its strategic goals, and which includes effective succession planning, as well as training and support to enable employees and volunteers to perform their roles to the best of their abilities and afford opportunities for professional development. It should be noted, however, that we have some way to go before our workforce is as diverse and as representative as we would like. We are significantly under-represented from the BAME community and improving this balance is a key focus for us.
- **Technology and digital.** Insufficient focus on technology and digital may mean the technology infrastructure will be unable to fully support the growth of the Charity. An Investment Board has been created to oversee delivery of IT projects in support of our strategy. An Information Security Management Group has also been established to ensure there is effective management of information risk, including defending our IT systems from attack and protecting personal data from unauthorised access and misuse, and that our management of confidential data entrusted to us, but belonging to Members, visitors, employees, volunteers, and others, is in compliance with the General Data Protection Regulation, which took effect in May 2018.
- **Health and safety.** English Heritage takes its duty of care to members of the public and to its employees extremely seriously. We have an excellent track record in preventing harm to members of the public, staff and volunteers. Disaster recovery plans and health and safety policies are regularly reviewed by the Senior Management Team, the Audit and Risk Committee and the Board, and robust training and safeguarding programmes exist, to ensure compliance with best practice to minimise the risk of incidents.
- **External perils.** We are conscious of the impact that external factors such as bad weather and public health incidents would have on our sites, most of which are outdoors in rural settings. Although we believe these risks to be relatively low, we manage them by adapting our marketing strategies to weather forecasts and continually updating our business continuity plans.
- **Above all, we recognise that we are enormously dependent on the goodwill of the general public to visit our sites.** We are conscious of the need to make our sites accessible to as wide an audience as possible and we do this by considering opening hours, pricing, the range of activities and events available for visitors to enjoy, as well as visitor feedback on their experience. Investment in our sites, to improve the quality of the visitor experience, is rigorously reviewed to ensure it is customer led. In 2017/18, 56% of our income derived from visitors and Members and, in the years ahead, this will increase as Government funding falls away. Additionally, like all tourist attractions, we are vulnerable to terrorism threats. We regularly review our major incident plans and staff training programmes, and share information with the police. We recognise that economic factors, such as an economic downturn and exchange rate fluctuations, might deter overseas customers. We perform stress tests and sensitivity analysis on our operating model to understand how the Charity could cope in the event that such major risks materialise, given the current low level of free reserves.

The Trustees are content that risks are being appropriately managed.

FUTURE PLANS

We are focused on safeguarding our priceless collection of sites and monuments across England. But this is hugely expensive.

Conserving the nation's collection of historic sites and monuments for current and future generations to appreciate and enjoy is a significant responsibility with substantial, ongoing financial obligations. Our expenditure on conserving our properties is increasing, partly funded by the £52 million New Model grant. However, the grant was originally proposed to cover high-priority defects identified in 2010 and, since then, new defects have emerged that naturally occur over time. We are reviewing our Conservation Management Plan to improve our understanding of the scale of the conservation work required, and update our strategy accordingly. Additional

money raised from fundraising will be key to achieving our plans.

In 2018/19 we are in our fourth year of trading as an independent Charity and we will continue to reflect on our first three years of successful performance to identify how we can improve the way we work in order to ensure our goal of achieving financial sustainability by 2022/23 remains attainable. Key to this will be a stronger trading performance. We are in the final year of our first three year Strategic Plan, which ends in March 2019, and during 2018/19 we will be preparing a new three year Strategic Plan to take us up to March 2022. This will include reviewing our key performance indicators to ensure we are measuring our performance against those targets that are best placed to deliver our strategic goals.

In 2018/19 we will be investing in a myriad of new projects across England, including the visionary installation

of a major new footbridge to re-connect the island with the mainland at Tintagel, a transformation of the exhibition and visitor facilities at the iconic Whitby Abbey, and the opening up of a new area of the gardens at Walmer Castle. In addition to the above projects, new interpretation will also be installed at Ranger's House, St Mawes Castle, Orford Castle, Goodrich Castle and Pevensey Castle.

Our investment in technology and digital will cover completing the upgrade of the content management system for our website, improving our IT networks, especially at sites, introducing public Wi-Fi at key locations, implementing a new event management and online ticketing solution, introducing a learning management system and General Data Protection Regulation compliance work.

Set out below is how we have progressed in 2017/18 against delivery of our first Strategic Plan.

	WHERE WE WERE THEN (2015/16)	WHERE WE WERE THEN (2016/17)	WHERE WE ARE NOW (2017/18)	STRATEGIC PLAN TARGETS (2018/19)
USE OF £52M CONSERVATION MAINTENANCE GRANT ¹	12%	31%	44%	72%
USE OF £28M CAPITAL INVESTMENT, INTERPRETATION & PRESENTATION GRANT ¹	15%	38%	60%	85%
MEMBERSHIP BASE ²	876K	918K	969K	1,052K
TRADING SURPLUS	26.3%	27.0%	31.5%	29.7%
FUNDRAISED INCOME ¹	£3.2M	£7.4M	£15.0M	£30M
NUMBER OF VISITORS	5.85M	5.88M ³	6.46M	6.25M
VISITOR EXPERIENCE ⁴	8.72	8.82	8.84	8.83
NUMBER OF VOLUNTEERS	2K	2.7K	3.1K	5K

¹ Cumulative from 2015/16. ² Average number of Members during financial year, calculated as new Members in the year plus renewals plus life Members.

³ 2016/17 figure includes no Easters, however for the first time does include visitors to third-party events held at our properties. ⁴ Mean score for Overall Visitor Experience based on a scale of 1–10, where 10 = excellent, English Heritage Visitor Survey.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The legal entity now known as English Heritage was originally established as a charitable company limited by guarantee and incorporated on 22 November 2010 as the English Heritage Foundation and registered as a charity with the Charity Commission on 10 February 2011. Its original aim was to drive fundraising for the preservation of the National Heritage Collection. On 12 December 2014, following agreement from Government, the New Model for English Heritage was adopted and revised Articles of Association were signed, changing its objectives to conserve and manage the estate and open it to the public. Its name was changed to English Heritage and its sole legal member is Historic England.

Appointment of Trustees

The Trustees, for the purposes of charity law, are also its directors. The Trustees consist of at least seven and not more than fifteen individuals, who will be drawn from Historic England Commissioners, Historic England employees and independent Trustees. Up to seven Trustees may be drawn from Historic England Commissioners or Historic England employees, although such Trustees must always remain a minority. All Trustees are appointed by Historic England.

Current Trustees have experience and knowledge of our wide range of activities, including heritage and buildings conservation, architecture, the visual arts, the history of England, education and learning, as well as finance, business, law, social media, IT, insurance, marketing and fundraising.

Trustees are normally appointed for four years and may be re-appointed for a further term of four years. Only in exceptional cases will Historic England consider a third term. Vacancies for independent Trustees are publicly advertised.

The Trustees elect a Chairman from among their number. The Chairman holds office for four years or 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.

Trustees' induction and training

New Trustees receive extensive background material to familiarise themselves with the history and activities of English Heritage, as well as Charity Commission documentation to inform them of their responsibilities and obligations under charity law. In addition, they are briefed by the Chief Executive and the Senior Management Team on the key policy and operational issues facing English Heritage.

Organisation

The Board of Trustees meets formally each quarter and there is also a discussion day at which strategy is reviewed. At each meeting the Board considers a full report from the Senior Management Team, including strategic development, financial performance, risk, and health and safety. Additionally, as appropriate, the Board considers progress on current and future projects, in particular the expenditure of the £80 million New Model grant, governance, and the annual budget and longer-term financial forecasts. The Board also reviews the minutes of the two subcommittees below as well as receiving an annual report from the Chairman of the Audit and Risk Committee. Trustees also receive monthly performance reports from the Chief Executive in between Board meetings in order to keep them up to date with financial performance and key issues. The Senior Management Team attends Board meetings.

The Trustees delegate day-to-day management of English Heritage to the Senior Management Team.

The Board has established two subcommittees. These committees have advisory powers and decision-making is retained by the Board.

The Audit and Risk Committee was established in June 2015 in order to support the Board and Chief Executive in their responsibilities for maintaining sound risk management, control and governance arrangements. In particular, the committee advises on the financial accounting and external reporting processes, and external audit; the effectiveness of risk management and control systems and internal audit; and the effectiveness of anti-fraud and whistle-blowing arrangements. The committee meets three times a year. Trustee members of the Audit and Risk Committee are Ian McCaig (Chairman), James Twining, Sarah Staniforth CBE and Sir Tim Laurence (ex-officio member). Nicola Shaw CBE and Robert Boyle are co-opted members of the committee. The Chief Executive and Resources Director (members of the Senior Management Team) also attend.

The Remuneration and Appointments Committee was established in May 2016 to oversee English Heritage's reward and remuneration policy and ensure the Chief Executive and members of the Senior Management Team are fairly rewarded for their individual contributions, as well as overseeing pay awards generally across the Charity. The committee also leads on the selection of future Trustees, whose appointment rests with Historic England, and on the appointment of committee and panel members of the Board subcommittees and the Blue Plaques panel. The committee will meet three times a year. Trustee members of the Remuneration and Appointments Committee are Charles Gurassa (Chairman), Victoria Barnsley OBE and Sir Tim Laurence. Peter Blausten and Patrick Newberry are co-opted members of the committee. The Chief Executive and Resources Director also attend.

English Heritage Trading Limited

English Heritage has a wholly owned subsidiary, English Heritage Trading Limited, which carries out non-primary trading, including retail, catering and sponsorship. Each year, it distributes its entire profits to the Charity by way of Gift Aid.

Our people

We recognise our employees and volunteers as our most valuable resource and strive to work in a manner that acknowledges this.

Crucial to this is making sure that staff are fully engaged with how we operate, so we use staff surveys to ask for their input. The latest, in February 2017, showed that 91% of employees are proud to work for English Heritage. The full results, including concerns about pay and reward, were fed back to staff and the Senior Management Team, and are being addressed as part of our People Plan.

Equality and diversity are also of paramount importance to us. We work to ensure that selection for a job, promotion, training or any other benefit is available to all on the basis of aptitude and capability. We make reasonable adjustments to allow our employees to compete on an equal basis. Our focus now is to increase diversity in our workforce in order to better reflect the communities in which we work and we have established a Diversity Working Group, drawn from across the organisation, to explore ways of achieving this.

We recently published our gender pay gap data. Based on employee data from 5 April 2017, we have a 10.1% difference between the average earnings of our male and female employees across the organisation (men earning more than women). We do not have an equal pay issue. People doing the same job are paid equally. We also have a healthy

gender balance at senior and middle-management grades. However, like many employers in the visitor attraction, retail, hospitality, catering and events sectors, we have a larger number of women in our more customer-facing and seasonal roles.

These are lower-graded positions, and this is where we employ most people overall. The higher proportion of women in this larger category has a big impact on the balance of average hourly pay. 70% more women than men reduce their salaries either to buy childcare vouchers or additional annual leave, which further exacerbates the gap. Our focus is to ensure that every position in our hierarchy is equally attractive and accessible to people, regardless of their gender, and that opportunities for flexible working are clear to everyone.

As part of the organisation design review in 2017/18 we consulted widely with our staff on our findings, which resulted in 530 separate responses, 165 of which were formal requests to amend aspects of our original re-design. These were assessed by the Senior Management Team, with separate responses provided to individuals, or as part of a general report back to all staff, whichever was felt to be most appropriate. As a result of this feedback, we amended our plans. Inevitably, the organisation design work resulted in the loss of a number of roles (as well as the creation of a smaller number of new roles) and we endeavoured to ensure that departing employees were treated with respect and dignity and were offered support, as necessary, to develop their careers further.

In 2018/19 we will be introducing the new performance measure of *organisation wellbeing*, which comprises assessing staff satisfaction with BAME diversity and training hours delivered.

Fundraising

English Heritage carries out all fundraising activities directly through our fundraising team; we do not engage third party professional fundraisers or commercial participators. We do not direct mail or email members of the general public for the purposes of fundraising. The activities of the fundraising team are closely monitored by the Trustees who regularly review and approve the Fundraising Strategy. The Charity is registered with the Fundraising Regulator and abides by the Code of Fundraising Practice, which outlines the standards expected of all charitable fundraising organisations across the UK. We are not aware of any complaints made in respect of our fundraising activities during the year.

Appointment of Auditors

The Comptroller and Auditor General has expressed his willingness to continue in office and a resolution to reappoint him will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

STATEMENT OF BOARD OF TRUSTEES' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

The Trustees (who are also directors of English Heritage Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the accounts in accordance with applicable law and regulations. Company law requires the Trustees to prepare accounts for each financial year. Under that law, the Trustees have prepared the accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts.
- Prepare the accounts 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 the group, and enable them to ensure that accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The Accounting Officer for Historic England has designated the Chief Executive as the Accounting Officer for the Charity. Her relevant responsibilities as Accounting Officer include her responsibility for the propriety and regularity of the public finances for which she is answerable, for the keeping of proper records and for safeguarding the Charity's assets, as set out in Managing Public Money issued by HM Treasury.

As far as the Board of Trustees and Accounting Officer are aware:

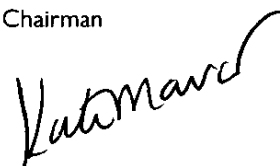
(a) there is no relevant audit information of which the company's auditors are unaware; and

(b) they have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The Trustees' Annual Report, including the Strategic Report, was adopted by the Trustees (in their capacity as company directors) and signed on their behalf by:



Sir Tim Laurence
Chairman



Kate Mavor
Chief Executive

20 June 2018

REFERENCE AND ADMINISTRATIVE DETAILS

BOARD OF TRUSTEES

Vice Admiral Sir Tim Laurence
KCVO, CB, ADC (Chairman)
Alex Balfour
Victoria Barnsley (Howard) OBE
Charles Gurassa
Sukie Hemming
Professor Ronald Hutton
Kate James-Weed
Sir Laurie Magnus
Ian McCaig
Kunle Olulode
(appointed 1 January 2018)
David Olusoga
(appointed 1 January 2018)
Malcolm Reading
Sarah Staniforth CBE
James Twining

SENIOR MANAGEMENT TEAM

Kate Mavor, Chief Executive
Anna Eavis, Curatorial Director
Shirley Jackson, Commercial Director
Luke Purser, Development Director
Tracey Reed, Historic
Properties Director
Mark Stuart-Smith, Resources Director
Luke Whitcomb, Marketing Director
Rob Woodside, Estates Director
(appointed 2 October 2017)

AUDIT AND RISK COMMITTEE

Ian McCaig (Chairman)
Robert Boyle
Sir Tim Laurence (ex officio member)
Nicola Shaw CBE (resigned
17 May 2018)
Sarah Staniforth CBE
James Twining

REMUNERATION AND APPOINTMENTS COMMITTEE

Charles Gurassa (Chairman)
Victoria Barnsley (Howard) OBE
Peter Blausten
Sir Tim Laurence
Martin Moore (resigned 30 June 2017)
Patrick Newberry (appointed
1 April 2018)

DIRECTORS OF ENGLISH HERITAGE TRADING LIMITED

Sir Tim Laurence (Chairman)

Victoria Barnsley (Howard) OBE
Charles Gurassa
Sir Laurie Magnus
Kate Mavor
Martin Moore (resigned 30 June 2017)

BLUE PLAQUES PANEL

Professor Ronald Hutton (Chairman)
Sir Peter Bazalgette
Dr Gus Casely-Hayford
(resigned December 2017)
Professor Martin Daunton
Greg Dyke
Professor Jane Glover CBE
Rupert Hambro CBE
Dr Rebekah Higgitt
Dr Rosemary Hill
Alan Hollingshurst
Philip Mould OBE
Professor Lynda Nead
David Olusoga (appointed
1 April 2018)
Dr Viviane Quirke (appointed
7 June 2017)

OFFICES

The Engine House, Fire Fly Avenue,
Swindon, SN2 2EH (Registered Office)

100 Wood Street,
London, EC2V 7AN

The Axis, 10 Holliday Street,
Birmingham, B1 1TG

29 Queen Square,
Bristol, BS1 4ND

Brooklands,
24 Brooklands Avenue,
Cambridge, CB2 8BU

Dover Castle,
Castle Hill,
Dover, CT16 1HU

Eastgate Court,
195–205 High Street,
Guildford, GU1 3EH

Bessie Surtees House,
41–44 Sandhill,
Newcastle-upon-Tyne, NE1 3JF

Wrest Park,
Silsoe, Bedfordshire, MK45 4HR

37 Tanner Row,
York, YO1 6WP

ENGLISH HERITAGE TRUST

Charity number: 1140351
Company number: 07447221

ENGLISH HERITAGE TRADING LIMITED

Company number: 02970369

AUDITORS

Comptroller and Auditor General,
National Audit Office,
157–197 Buckingham Palace Road,
London, SW1W 9SP

BANKERS

HSBC Holdings plc,
Keith House, 133 Regent Street,
London, W1B 4HX

Santander UK plc,
Bootle, Merseyside,
L30 4GB

Royal Bank of Scotland plc,
36 St Andrew Square,
Edinburgh, EH2 2YB

Close Brothers Group plc,
4th Floor, 10 Crown Place,
London, EC2A 4FT

Lloyds Bank plc,
25 Gresham Street, London,
EC2V 7HN

Barclays Bank plc,
1 Churchill Place, London,
E14 5HP

SOLICITORS

Mills & Reeve LLP,
1 St James Court, Whitefriars,
Norwich, NR3 1RU

Macfarlanes LLP,
20 Cursitor Street,
London, EC4A 1LT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH HERITAGE TRUST

Opinion on financial statements

I have audited the financial statements of English Heritage Trust for the year ended 31 March 2018 which comprise the Consolidated and English Heritage Trust Statement of Financial Activities (including the Income and Expenditure Account), the Consolidated and Charity Balance Sheet, the Group and Charity 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In my opinion the financial statements:

- give a true and fair view of the state of the group's and English Heritage Trust's affairs as at 31 March 2018 including its income, expenditure and net income/ (expenditure) position; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on regularity

In my opinion, in all material respects the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). 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 2016. I am independent of The English Heritage Trust in accordance with the ethical requirements that are relevant to my audit and 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.

Responsibilities of the Trustees and Accounting Officer for the financial statements

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

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing the group's and The English Heritage Trust's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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. As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and The English Heritage Trust's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and The English Heritage Trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of

the group audit. I remain solely responsible for my audit opinion. 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. In addition, I am required to obtain evidence sufficient to give reasonable assurance that the financial transactions conform to the authorities which govern them.

Other Information

Trustees and the Accounting Officer are responsible for the other information. The other information comprises information included in the Annual Report of the Trustees, other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and 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, 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

In my opinion:

- in light of the knowledge and understanding of the group and the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and

- the information given in the Strategic and Directors' 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 I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept English Heritage, 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 Trustees' remuneration specified by law are not made; or

- I have not received all of the information and explanations I require for my audit.



Peter Morland (Senior Statutory Auditor)

6 July 2018

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

FINANCIAL STATEMENTS

Consolidated Statement of Financial Activities (including consolidated Income and Expenditure Account) for year ending 31 March 2018

	Note	2017/18 Unrestricted £'000	2017/18 Restricted £'000	2017/18 Endowment £'000	2017/18 Total £'000	2016/17 Total £'000
INCOME FROM:						
Donations and Legacies	3a	4,055	2,921	92	7,068	3,491
Charitable Activities						
Conserving our Properties	3a	1,236	23	-	1,259	1,483
Membership and Admissions	3a	64,579	-	-	64,579	57,783
New Model	2, 3a	14,693	-	-	14,693	14,671
Other Trading Activities						
Running our Properties	3a	27,481	-	-	27,481	24,473
Licensing, Sponsorship and Advertising	3a	827	-	-	827	1,046
Investments	3a, 4	72	17	-	89	48
Other Income	3a	7	-	-	7	-
Total		112,950	2,961	92	116,003	102,995
EXPENDITURE ON:						
Raising Funds						
Fundraising	6a	(1,228)	(19)	-	(1,247)	(905)
Running our Properties	6a	(21,537)	(425)	-	(21,962)	(20,213)
Licensing, Sponsorship and Advertising	6a	(146)	-	-	(146)	(272)
Charitable Activities						
Conserving our Properties	6a	(33,850)	(1,775)	-	(35,625)	(32,855)
Membership and Admissions	6a	(47,849)	(16)	-	(47,865)	(44,466)
New Model	2, 6a	(976)	(6,914)	-	(7,890)	(10,499)
Total		(105,586)	(9,149)	-	(114,735)	(109,210)
Net income/(expenditure)	7, 8	7,364	(6,188)	92	1,268	(6,215)
Transfers between funds	9	6,529	(6,529)	-	-	-
OTHER RECOGNISED GAINS/(LOSSES):						
Gain on revaluation of fixed assets	14, 15	599	-	-	599	154
Net Movement in Funds		14,492	(12,717)	92	1,867	(6,061)
RECONCILIATION OF FUNDS:						
Total funds brought forward		10,331	55,915	-	66,246	72,307
Total funds carried forward		24,823	43,198	92	68,113	66,246

The statement of financial activities includes all gains and losses recognised in the year and all income and expenditure derives from continuing activities.

English Heritage Trust Statement of Financial Activities (including Income and Expenditure Account) for year ending 31 March 2018

	Note	2017/18 Unrestricted £'000	2017/18 Restricted £'000	2017/18 Endowment £'000	2017/18 Total £'000	2016/17 Total £'000
INCOME FROM:						
Donations and Legacies						
Fundraising	3b	6,654	2,921	92	9,667	5,687
Charitable Activities						
Conserving our Properties	3b	1,236	23	-	1,259	1,483
Membership and Admissions	3b	64,579	-	-	64,579	57,783
New Model	2, 3b	14,693	-	-	14,693	14,671
Other Trading Activities						
Running our Properties	3b	14,358	-	-	14,358	12,642
Licensing, Sponsorship and Advertising	3b	320	-	-	320	302
Investments	3b, 4	72	17	-	89	48
Other Income	3b	7	-	-	7	-
Total		101,919	2,961	92	104,972	92,616
EXPENDITURE ON:						
Raising Funds						
Fundraising	6b	(1,294)	(19)	-	(1,313)	(1,083)
Running our Properties	6b	(12,653)	(425)	-	(13,078)	(11,955)
Licensing, Sponsorship and Advertising	6b	(43)	-	-	(43)	(59)
Charitable Activities						
Conserving our Properties	6b	(32,826)	(1,775)	-	(34,601)	(31,870)
Membership and Admissions	6b	(46,763)	(16)	-	(46,779)	(43,365)
New Model	2, 6b	(976)	(6,914)	-	(7,890)	(10,499)
Total		(94,555)	(9,149)	-	(103,704)	(98,831)
Net income/(expenditure) before and after tax and before gains/(losses) and transfers	7, 8	7,364	(6,188)	92	1,268	(6,215)
Transfers between funds	9	6,529	(6,529)	-	-	-
OTHER RECOGNISED GAINS/(LOSSES):						
Gain on revaluation of fixed assets	14, 15	599	-	-	599	154
Net Movement in Funds		14,492	(12,717)	92	1,867	(6,061)
RECONCILIATION OF FUNDS:						
Total funds brought forward		10,331	55,915	-	66,246	72,307
Total funds carried forward		24,823	43,198	92	68,113	66,246

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

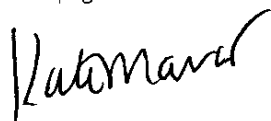
Consolidated and Charity Balance Sheet as at 31 March 2018

	Note	2017/18 Group £'000	2017/18 Charity £'000	2016/17 Group £'000	2016/17 Charity £'000
Fixed Assets					
Intangible assets	14	1,326	1,326	1,136	1,136
Tangible assets	15	20,191	20,191	12,958	12,958
Heritage assets	16	331	331	81	81
Investments	19a	-	2,028	-	2,028
Total Fixed Assets		21,848	23,876	14,175	16,203
Current Assets					
Stocks	20	7,457	65	6,416	50
Debtors	21	5,571	11,339	7,724	12,438
Current asset investments	19b	2,773	2,773	1,240	1,240
Cash at bank and in hand	22	64,640	64,185	66,967	66,443
Total Current Assets		80,441	78,362	82,347	80,171
Liabilities					
Creditors: amounts falling due within one year	26, 28	(32,182)	(32,131)	(28,403)	(28,255)
Net Current Assets		48,259	46,231	53,944	51,916
Total Assets Less Current Liabilities		70,107	70,107	68,119	68,119
Creditors: amounts falling due after more than one year	27, 28	(1,950)	(1,950)	(1,863)	(1,863)
Provisions for liabilities	29	(44)	(44)	(10)	(10)
The funds of the charity					
Endowment funds		92	92	-	-
Restricted funds		43,198	43,198	55,915	55,915
Unrestricted Funds					
Financial Asset Reserve		-	2,028	-	2,028
Revaluation Reserve		851	851	273	273
Designated Funds		149	149	149	149
General Fund		23,823	21,795	9,909	7,881
Total Unrestricted Funds	30	24,823	24,823	10,331	10,331
Total Charity Funds		68,119	68,119	68,119	68,119

The Trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011

The notes on pages 36 to 64 form part of these accounts.

Signed



Kate Mavor, Chief Executive

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Sir Tim Laurence, Chairman

Approved by the Trustees on 20 June 2018

Group and Charity Statement of Cash Flows for year ending 31 March 2018

	Note	2017/18 Group £'000	2017/18 Charity £'000	2016/17 Group £'000	2016/17 Charity £'000
Net income/(expenditure) for the reporting period (as per the SOFA)		1,867	1,867	(6,061)	(6,061)
Adjustments for:					
Depreciation and Impairment Charges	14, 15	1,698	1,698	1,187	1,187
(Gains) on fixed assets	14, 15	(599)	(599)	(163)	(163)
Interest from investments	3a, 3b	(89)	(89)	(48)	(48)
(Profit) on disposal of fixed assets	3a, 3b	(7)	(7)	(3)	(3)
(Increase)/Decrease in stocks	20	(1,041)	(15)	100	4
(Increase) in debtors	21	2,153	1,099	(1,216)	(1,162)
Increase in creditors	26, 27	3,866	3,963	686	313
Increase/(Decrease) in provisions	29	34	34	(2)	(2)
Donated asset addition	16	(250)	(250)	-	-
Net cash provided by operating activities		7,632	7,701	(5,520)	(5,935)
Cash flows from investing activities:					
Interest from investments	3a, 3b	89	89	48	48
Proceeds from the sale of property, plant and equipment	14, 15	11	11	13	13
(Purchase) of property, plant and equipment and intangible assets	14, 15	(8,526)	(8,526)	(7,057)	(7,057)
(Purchase) of investments	19b	(1,533)	(1,533)	(23)	(23)
Net cash (used in) investing activities		(9,959)	(9,959)	(7,019)	(7,019)
Change in cash and cash equivalents in the reporting period		(2,327)	(2,258)	(12,539)	(12,954)
Cash and cash equivalents at the beginning of the reporting period		66,967	66,443	79,506	79,397

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NOTES TO THE FINANCIAL STATEMENTS

I Statement of Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

a) Basis of preparation

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.

The English Heritage Trust meets the definition of a public benefit entity.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy Note.

b) Preparation of the accounts on a going concern basis

In adopting the going concern basis for preparing the financial statements, the Trustees have considered the business activities and principal risks set out in the Report of the Trustees on page 23. The Trustees have reviewed the latest financial forecasts and are satisfied that English Heritage continues to adopt the going concern basis in preparing its financial statements.

c) Group financial statements

The financial statements consolidate the results of The English Heritage Trust (the Charity) and its wholly owned subsidiary, English Heritage Trading Limited (EHTL) (together English Heritage), company number 02970369, on a line-by-line basis. The results of the company can be found at Note 5.

d) Income

Income is shown within five categories in the Statement of Financial Activities:

- Donations and Legacies
- Charitable Activities
- Other Trading Activities
- Investments
- Other Income

A brief description of the items contained within these headings is as follows:

Donations and Legacies

Legacies are recognised when entitlement to the income exists, it is probable that the legacy will be received, and it is possible to estimate the amount receivable with sufficient accuracy. Receipt is determined as probable when there has been grant of probate; the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy; and any conditions attached to the legacy are either within the control of English Heritage or have been met.

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. The nature of donations received by English Heritage means this is usually upon receipt.

Charitable Activities

Income from charitable activities is primarily made up of income generated by admissions to sites and membership income. However, this category also includes grants received, as well as rents and service charges received from tenants. Income received under the New Model arrangements is also included here.

Income generated by admissions to sites is recognised at point of sale.

Annual income received from Members is recognised in the SOFA over the period to which the membership relates. Life membership subscriptions received are credited to the Charity's Balance Sheet and released to the SOFA in ten equal annual instalments. This represents a change from the policy of Historic Buildings and Monuments Commission for England (Historic England), which was to recognise this income over 25 years. However, a review of this area during 2015/16 arrived at the conclusion that it was more appropriate for the income to be recognised over a ten-year period. This change brings the Charity's accounting policy into line with comparable organisations. Surveys of life members, and analysis of available data, indicates that life members enjoy the majority of their membership benefits in the first ten years of their arrangement. The Charity therefore feels it is appropriate to use ten years as the relevant period over which to allocate the life membership income.

Income from grants is accounted for on a receivable basis, when the Charity has certain and measurable entitlement to the income (ie, the conditions for its award have been satisfied).

Rent and service charge income, which is due from tenants who rent property owned by the Charity, is accounted for in the appropriate period. Any income received from tenants in advance is treated as being deferred income at the conclusion of the financial year.

As part of the New Model arrangements, which took effect on 1 April 2015, the Charity received a subsidy from its parent, Historic England. This income will be payable, on a steadily decreasing basis, for a further five-year period. The intention is that the Charity will have expanded its business activities and become profitable enough to have no further need of a subsidy at the end of the seven-year period ending 31 March 2022.

The subsidy income received from Historic England has been classified as support for the Charity's charitable activities in these financial statements.

Other Trading Activities

Much of this income is generated in EHTL. Income is primarily comprised of income generated by the Retail and Catering operations at English Heritage trading sites, with turnover relating to sales of goods and souvenirs, guidebooks and catering products at sites and online. Income is recognised in the period in which a sale is made.

Licensing and Sponsorship income is also included in this category, with income being recognised in line with the terms of the agreement.

Also included in other trading activities is income from wedding bookings, holiday cottage lets and hospitality events. This is recognised in the accounting period to which the income relates.

Investments

Interest on funds held on deposit is accounted for when receivable and the amount can be measured reliably by English Heritage; this is normally upon notification of the interest paid or payable by the bank.

Other income

Other income includes the net gains arising on disposal of fixed assets.

Deferred income

Individual income items over £10,000 are reviewed in the month in which they arise to ensure that they are recognised in the correct accounting period.

e) Government Grants

Government Grants are accounted for when there is measurable entitlement to the income and any performance conditions have been met.

f) Gift Aid

Gift Aid income is received by the Charity via three sources, as noted below:

Gift Aid on admissions

Gift Aid that arises on admission income received is claimed from HM Revenue and Customs (HMRC) each month. The Gift Aid income is recognised when it is processed through each trading site's tills. This produces a debtor balance in the Charity's books, which is cleared each month when applications are made to HMRC for the amount owed to the Charity.

Gift Aid on memberships

Gift Aid that arises on membership income received is claimed from HMRC each month. The Gift Aid income is recognised when the membership application or renewal is processed by the Charity's membership team. The debtor balance that arises in the Charity's books is subsequently cleared each month when an application is made to HMRC for the amount owed to the Charity.

Gift Aid on donations

Gift Aid that arises following the receipt of donations made to the Charity is recognised when the claim is made to HMRC. As the value and volume of these items is low, claims are made quarterly.

g) Fund Accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of English Heritage.

Designated funds are unrestricted funds of English Heritage earmarked by the Trustees for particular purposes.

Restricted funds are donations that the donor has specified are to be solely used for particular areas of English Heritage's work.

The New Model Restricted Fund relates to the government grant of £80 million received in 2014/15 in order to address conservation defects at historic properties and to make capital investments over the eight years of the New Model agreement.

Funds held within the Elizabeth Wagland Fund are subject to the restrictions imposed under the terms of the Elizabeth Wagland Fund subsequently amended by a cy-pres scheme on 2 July 2012.

h) Expenditure

Expenditure is accounted for on an accruals basis 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.

All assets are reviewed annually to ensure that the carrying value remains appropriate. Indexation, revaluation and impairment adjustments are made where the figure calculated is material, and any necessary amendments to the assets' valuations are included in the financial statements.

i) Apportionment of income, expenditure and support costs

In accordance with the requirements of FRS 102, English Heritage has developed a model to apportion support and other expenditure across its main activities which can be found in Note 6.

Where costs cannot be directly attributed to an activity, they have been allocated and apportioned to an activity on a basis consistent with the use of those resources. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

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

Support costs have either been directly allocated according to activity, or have been apportioned based on that activity's share of costs, pro-rated according to staff numbers or expenditure.

Following this allocation of support costs, English Heritage's total expenditure has then been apportioned across its main activities in a manner that management feels is most appropriate.

English Heritage's income has also been apportioned using the same methodology, meaning that Note 7 therefore shows the net income or expenditure for each of English Heritage's main activities.

j) Fixed Assets**Intangible Assets and Systems Development**

Licences to use software purchased from third parties with a life of more than one year are shown on the Balance Sheet as intangible assets and amortised over the life of the licence or the life of the related asset where there is no licence expiry date. Annual licences to use software are charged to the SOFA as they are incurred. Systems development is capitalised and amortised over its useful economic life.

Property, Plant and Equipment

Individual assets with an economic life of more than one year are capitalised and depreciated over their estimated useful economic lives on a straight line basis. Any unrealised gain on revaluation at the Balance Sheet date is taken directly to the Revaluation Reserve.

Unrealised losses at the Balance Sheet date are written off against the proportion of the credit balance on the reserve that relates to the assets concerned. Any other unrealised losses are charged to the SOFA.

Plant and Machinery, Information Systems and Furniture and Fittings

Plant and machinery, information systems equipment, furniture and fittings are initially recorded in the Balance Sheet at cost. Subsequent expenditure of more than £5,000 is recorded on the Balance Sheet if the expenditure enhances the economic benefits of the asset.

These assets are reviewed annually to ensure that the carrying value remains appropriate. Indexation, revaluation and impairment adjustments are made where the adjustment is material.

Assets Under Construction

Assets under construction comprise expenditure on the creation or enhancement of Fixed Assets not brought into use at the Balance Sheet date. Transfers are made from Assets Under Construction to the relevant category of Fixed Asset when the asset is brought into use.

Heritage Assets, Artefacts and Archives

Heritage assets are held in pursuit of overall objectives in relation to the enjoyment and preservation of heritage. Artefacts and archives are recognised at cost or, where donated, at the prevailing current market value at the time of donation. Expenditure that, in English Heritage's view, is required to preserve or prevent further deterioration of individual collection and archive items is recognised in the SOFA as it is incurred.

Donated Assets

Assets donated by third parties, either by gift of the asset or by way of funds for the asset, will be treated as Fixed Assets and held at current market value on receipt. Donated assets are revalued and depreciated in the same way as other Fixed Assets.

Depreciation and Amortisation

Depreciation is provided on property (excluding land and assets under construction), plant, machinery, information systems equipment, furniture and fittings, and amortisation is provided on software licences and systems development, in equal amounts each year, in order to write down their cost to their estimated residual value over their anticipated useful economic lives. These are as follows:

Intangible Assets

Software licences	3–10 years
Systems development	4–10 years

Tangible Assets

Permanent or brick/stone buildings	50 years
Other non-brick/stone structures	20–40 years
Paths, car parks, playgrounds	20–25 years
Gardens	20–50 years
Refurbishments	10–20 years
Exhibitions and interpretations	5–20 years
Plant and machinery	5–25 years
IT equipment, furniture and fittings	4–20 years

When considering anticipated useful economic lives, regard is given to the requirement of Section 17 of FRS102, to identify assets that have distinct major components with substantially different useful economic lives. Where such assets are identified, separate useful economic lives for component assets are considered.

Revaluation

The values of Fixed Assets are reviewed annually using relevant indices as at 31 March. Any change in value is reflected in the relevant reserve.

k) Investments in Subsidiary

Investments in subsidiary undertakings are held at fair value. Any unrealised gain at the Balance Sheet date is taken directly to reserves.

Unrealised losses at the Balance Sheet date are written off against the proportion of any credit balance that relates to the investment concerned. Any other unrealised losses are charged to the SOFA.

l) Financial Instruments

English Heritage only holds basic financial instruments that are valued at amortised cost.

m) Stocks

Goods held for resale are stated at the lower of current replacement cost and net realisable value. Origination costs of internally produced publications for resale are written off over the first print run.

n) Operating Leases

Operating lease costs are charged to the SOFA as incurred.

o) Cash at Bank and in Hand

Cash comprises cash on hand and on-demand deposits. Cash equivalents are investments with a short-term maturity of less than three months from the date of acquisition. Cash that is surplus to immediate requirements is placed on deposit in accordance with English Heritage's Investment Policy.

p) Current Asset Investments

Current asset investments are measured at fair value and are defined as any amount placed on an account with a notice period of more than three months and less than one year. All deposits are held in sterling accounts.

q) Pension Costs

Staff working for English Heritage whose contracts of employment transferred from Historic England on 1 April 2015 remain in the Principal Civil Service Pension Scheme (PCSPS). This is a multi-employer benefit scheme. Staff who joined English Heritage after 1 April 2015 are entitled to join the English Heritage Group Personal Pension Plan, a collection of defined contribution personal pension plans administered by Legal and General Assurance Society Limited. Employer pension costs are charged to the SOFA as they are incurred.

r) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid, net of any trade discounts due.

s) Creditors and Provisions

Creditors and provisions are recognised where English Heritage 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.

t) Significant Accounting Estimates and Judgements

Key sources of estimation, uncertainty and judgements made in applying accounting policy exist in estimations of employee leave accruals and the period over which life memberships are deferred.

u) Legal Status of English Heritage

English Heritage is a company limited by guarantee and has no share capital. In the event of English Heritage being wound up, the liability in respect of the guarantee is limited to £1 for the sole legal member of English Heritage, which is Historic England.

v) Redundancy and Severance Costs

Redundancy and severance costs are recognised when there is a detailed, formal plan in relation to the redundancy and this has been formally communicated.

2 New Model

English Heritage was established as an independent charity, with effect from 1 April 2015, underpinned by the New Model Contractual Framework (New Model) between English Heritage and Historic England. Under the New Model, English Heritage was given a licence for eight years to operate the National Heritage Collection (the Collection) (which will remain in Historic England's ownership or guardianship), with the freedom to pursue its own strategy in order to achieve financial self-sufficiency by 2022/23.

The funding arrangement of the New Model covers the one-off payment of the government grant of £80 million, together with tapering annual revenue payments that contribute towards English Heritage meeting its objective of becoming financially self-sufficient by 2022/23.

The £80 million grant is structured as restricted funds, meaning it can only be used for the specific purposes for which it has been designated, which are:

- £52 million for addressing the most urgent top three categories of conservation defects in the collection as identified in the Charity's Asset Management Plan (AMP).
- £28 million on new commercial capital investments such as visitor facilities and infrastructure (£18 million), as well as on updating the presentation and interpretation of small and medium sized sites that would not normally qualify for commercial investment (£10 million).

Under the New Model, the operational risk of running the Collection is transferred to English Heritage.

The amount of the £80 million Government grant spend in 2017/18 is shown in the table below:

Element of spend of £80 million government grant	2017/18 total £'000	2017/18 cumulative £'000	2016/17 total £'000	2016/17 cumulative £'000
£52 million	6,914	22,918	9,484	16,004
£18 million	4,587	13,592	5,374	9,005
£10 million	1,670	3,333	1,060	1,663
Total	13,171	39,843	15,918	26,672

In addition to the one-off grant of £80 million, the Charity receives New Model tapering subsidy on a diminishing basis over the eight-year term of the funding agreement. This amounted to £14.4 million in 2017/18 (2016/17: £14.4 million), net of the income as per Note 3b.

Further details of the work accomplished as a result of the New Model during the year are contained in the Report of the Trustees.

3 Analysis of Income by Activity and Nature

a) Group

	2017/18						2016/17	
	Admissions £'000	Memberships £'000	Retail and Catering £'000	Donations and Grants £'000	Other Trading Activities £'000	Income from Historic England £'000	Total £'000	Total £'000
Donations and Legacies								
Fundraising	-	-	-	7,068	-	-	7,068	3,491
Charitable Activities								
Conserving our Properties	-	-	32	25	1,202	-	1,259	1,483
Membership and Admissions	30,423	33,740	-	372	44	-	64,579	57,783
New Model	-	-	-	-	-	14,693	14,693	14,671
Other Trading Activities								
Running our Properties	-	59	23,244	-	4,178	-	27,481	24,473
Licensing, Sponsorship and Advertising	-	-	-	127	700	-	827	1,046
Investments	-	-	-	-	89	-	89	48
Other Income	-	-	-	-	7	-	7	-
TOTAL INCOME	30,423	33,799	23,276	7,592	6,220	14,693	116,003	102,995

b) Charity

	2017/18						2016/17	
	Admissions £'000	Memberships £'000	Retail and Catering £'000	Donations and Grants £'000	Other Trading Activities £'000	Income from Historic England £'000	Total £'000	Total £'000
Donations and Legacies								
Fundraising	-	-	-	9,667	-	-	9,667	5,687
Charitable Activities								
Conserving our Properties	-	-	32	25	1,202	-	1,259	1,483
Membership and Admissions	30,423	33,740	-	372	44	-	64,579	57,783
New Model	-	-	-	-	-	14,693	14,693	14,671
Other Trading Activities								
Running our Properties	-	59	4,351	-	9,948	-	14,358	12,642
Licensing, Sponsorship and Advertising	-	-	-	-	320	-	320	302
Investments	-	-	-	-	89	-	89	48
Other Income	-	-	-	-	7	-	7	-
TOTAL INCOME	30,423	33,799	4,383	10,064	11,610	14,693	104,972	92,616

Income has been allocated to activities based on the nature of the incoming resource. Other Trading Activities includes income received from events, holiday cottages and filming.

£14.4 million of the income received from Historic England is in the form of a subsidy relating to the deficit funding of the charity which is part of the New Model funding arrangements. The remaining £0.3 million is income received in relation to shared services provided to Historic England.

4 Investment Income

All investment income of £89,000 (2016/17: £48,000) is generated from interest on bank accounts and fixed-notice deposit accounts in the UK and no material management costs are associated with the generation of this income.

5 English Heritage Trading Limited

The Charity is the sole shareholder of English Heritage Trading Limited, incorporated in 1994.

On 1 April 2015, the shares in English Heritage Trading Limited were transferred from the Commission to the Charity for £1.

The following results of English Heritage Trading Limited have been included in the consolidated results:

Income and Expenditure	2017/18 £'000	2016/17 £'000
Turnover	19,400	17,586
Expenditure	(16,801)	(15,390)
Operating Profit	2,599	2,196
Interest Receivable and Similar Income	-	-

Net Assets as at 31 March	2017/18 £'000	2016/17 £'000
Current Assets	7,854	7,110
Creditors: Amounts Falling Due Within One Year	(5,826)	(5,082)
Share Capital – Ordinary Shares at £1 Each	2,028	2,028
Profit and Loss Account	-	-

6 Total Resources Expended

a) Group

	2017/18							2016/17	
	Staff costs £'000	Properties' repairs & maintenance £'000	Cost of goods sold £'000	Other direct costs £'000	Depreciation £'000	Impairment £'000	Allocation of support costs £'000	Total £'000	Total £'000
Raising Funds									
Fundraising	829	-	-	210	-	-	208	1,247	905
Running our Properties	5,248	733	9,412	4,005	-	-	2,564	21,962	20,213
Licensing, Sponsorship and Advertising	95	-	-	24	-	-	27	146	272
Charitable Activities									
Conserving our Properties	9,078	13,733	-	7,086	-	-	5,728	35,625	32,855
Membership and Admissions	20,758	17	-	16,709	-	-	10,381	47,865	44,466
New Model	670	6,685	-	535	-	-	-	7,890	10,499
Support costs	4,671	9	-	12,530	1,695	3	(18,908)	-	-
Grand Total	41,349	21,177	9,412	41,099	1,695	3	-	114,735	109,210

Support costs are directly allocated according to activity or are apportioned based on that activity's share of costs, pro-rated according to staff numbers or expenditure.

	2017/18						2016/17	
	Governance £'000	Finance £'000	Information Technology £'000	Human Resources £'000	Other Shared Service Charges £'000	Other Support Costs £'000	Total £'000	Total £'000
Raising Funds								
Fundraising	5	54	57	39	-	53	208	130
Running our Properties	45	487	534	367	610	521	2,564	2,082
Licensing, Sponsorship and Advertising	1	7	7	5	-	7	27	39
Charitable Activities								
Conserving our Properties	65	667	770	530	2,903	793	5,728	4,997
Membership and Admissions	232	2,663	2,740	1,887	350	2,509	10,381	7,866
New Model	-	-	-	-	-	-	-	-
Grand Total	348	3,878	4,108	2,828	3,863	3,883	18,908	15,114

Included within governance costs are external audit fees of £62,500 for the Charity (2016/17: £62,500) and £11,000 for English Heritage Trading Limited (2016/17: £11,000) in relation to the National Audit Office's work.

Also included within governance are costs associated with internal audit. No services other than statutory audit were commissioned during the year (2016/17: £nil).

b) Charity

	2017/18							2016/17	
	Staff costs £'000	Properties' repairs & maintenance £'000	Cost of goods sold £'000	Other direct costs £'000	Depreciation £'000	Impairment £'000	Allocation of support costs £'000	Total £'000	Total £'000
Raising Funds									
Fundraising	895	-	-	225	-	-	193	1,313	1,083
Running our Properties	4,504	718	1,973	3,773	-	-	2,110	13,078	11,955
Licensing, Sponsorship and Advertising	30	-	-	7	-	-	6	43	59
Charitable Activities									
Conserving our Properties	9,078	13,653	-	7,087	-	-	4,783	34,601	31,870
Membership and Admissions	20,758	17	-	16,709	-	-	9,295	46,779	43,365
New Model	670	6,685	-	535	-	-	-	7,890	10,499
Support costs	2,750	9	-	11,930	1,695	3	(16,387)	-	-
Grand Total	38,685	21,082	1,973	40,266	1,695	3	-	103,704	98,831

Support costs are directly allocated according to activity or are apportioned based on that activity's share of costs, pro-rated according to staff numbers or expenditure.

	2017/18						2016/17	
	Governance £'000	Finance £'000	Information Technology £'000	Human Resources £'000	Other Shared Service Charges £'000	Other Support Costs £'000	Total £'000	Total £'000
Raising Funds								
Fundraising	5	51	51	37	-	49	193	127
Running our Properties	37	401	439	302	502	429	2,110	1,641
Licensing, Sponsorship and Advertising	-	1	2	1	-	2	6	7
Charitable Activities								
Conserving our Properties	55	557	643	442	2,424	662	4,783	4,103
Membership and Admissions	208	2,386	2,452	1,690	313	2,246	9,295	6,765
New Model	-	-	-	-	-	-	-	-
Grand Total	305	3,396	3,587	2,472	3,239	3,388	16,387	12,643

Included within governance costs are external audit fees of £62,500 for the Charity (2016/17: £62,500).

Also included within governance are costs associated with internal audit. No services other than statutory audit were commissioned during the year (2016/17: £nil).

7 Net Income/(Expenditure) by Activity

a) Group

	2017/18 £'000	2016/17 £'000
Raising Funds		
Fundraising	5,821	2,586
Running our Properties	5,519	4,260
Licensing and Sponsorship	681	774
	12,021	7,620
Charitable Activities		
Conserving our Properties	(34,366)	(31,372)
Membership and Admissions	16,714	13,317
New Model	6,803	4,172
	(10,849)	(13,883)
Investments	89	48
Other Income	7	-

b) Charity

	2017/18 £'000	2016/17 £'000
Raising Funds		
Fundraising	8,354	4,604
Running our Properties	1,280	687
Licensing and Sponsorship	277	243
	9,911	5,534
Charitable Activities		
Conserving our Properties	(33,342)	(30,387)
Membership and Admissions	17,800	14,418
New Model	6,803	4,172
	(8,739)	(11,797)
Investments	89	48
Other Income	7	-

8 Net Income/(Expenditure)

Net income on the unrestricted reserve is £7.4 million. Net expenditure on the restricted reserve is £6.2 million, representing use of the £52 million New Model grant and other restricted income.

Net income on the endowment reserve is £0.1 million. There is therefore an overall operating profit of £1.3 million.

9 Transfers Between Funds

During the financial year, £6.3 million of New Model restricted funds was spent on the creation and acquisition of new fixed assets by the Charity (2016/17: £6.4 million). The assets created can be used for unrestricted purposes in accordance with the Charity's objectives and hence £6.3 million (2016/17: £6.4 million) of restricted funds have been transferred to unrestricted funds under the terms of the Charities' SORP 2015. A further £0.2 million of other restricted funds has been spent on fixed assets which can be used for an unrestricted purpose.

10 Taxation

Group and Charity

a) Taxable status

English Heritage, as a registered charity, is entitled to certain tax exemptions on income and surpluses on any trading activities carried out in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. English Heritage Trading Limited gives all of its taxable profits to the Charity, normally resulting in no liability to corporation tax.

b) Tax on profit on ordinary activities

	2017/18 £'000	2016/17 £'000
Profit/(Loss) on ordinary activities before taxation	1,268	(6,215)
Tax on profit at UK corporation tax rate	241	-
Effects of:		
Expected qualifying charitable donations	(241)	-

11 Net Income/(Expenditure)

Net income/(expenditure) is stated after charging:

	2017/18 £'000	2016/17 £'000
Auditors' fees:		
Group and Charity		
- for audit of The English Heritage Trust	63	63
Group only		
- for audit of English Heritage Trading Limited	11	11
Depreciation and amortisation:		
Group and Charity		
- intangible assets	267	244
- tangible assets	1,428	930
	1,695	1,174
Impairment:		
Group and Charity		
- tangible assets	6	13
Impairment reversal:		
Group and Charity		
- tangible and intangible assets	(3)	-
	1,698	1,187

There were no fees payable to the external auditors for non-audit services during the financial year (2016/17: £nil).

12 Employees

Group and Charity

a) Employee Numbers

The average monthly head count was 2,177 staff (2016/17: 1,981) and the average number of persons employed during the year expressed as full-time equivalents was:

Group

	Full Time Number	2017/18 Part Time Number	Total Number	2016/17 Number
Raising Funds				
Fundraising	13	1	14	12
Running our Properties	318	289	607	641
Licencing and Sponsorship	2	-	2	4
Charitable Activities				
Conserving our Properties	155	16	171	194
Membership and Admissions	147	80	227	233
New Model	4	-	4	7
Support Services	16	1	17	18

Charity

	Full Time Number	2017/18 Part Time Number	Total Number	2016/17 Number
Raising Funds				
Fundraising	15	1	16	16
Running our Properties	318	289	607	641
Charitable Activities				
Fundraising	155	16	171	194
Running our Properties	147	80	227	233
New Model	4	-	4	7
Support Services	16	1	17	18

b) Employment Costs

Group and Charity

	2017/18 £'000	2016/17 £'000
Wages and Salaries	32,324	29,895
Social Security Costs	2,505	2,263
Pension Costs	3,997	4,208
Redundancy and Severance Costs	2,125	25
Agency Staff Costs	852	952

Included within the above are costs as follows that have been capitalised within Fixed Assets (Notes 14, 15 and 16): £905,000 wages and salaries costs (2016/17: £655,000) £85,000 social security costs (2016/17: £61,000), £95,000 pension costs (2016/17: £70,000) and £175,000 agency staff costs (2016/17: £58,000). There are nil redundancy and severance costs (2016/17: nil) that have been capitalised.

Included within Redundancy and Severance Costs are costs of £9,421 relating to ex-gratia payments in relation to the organisation design changes detailed on page 21. The redundancy and severance costs above relate to the organisational design changes detailed on page 21.

English Heritage operates two pension schemes, the Principal Civil Service Pension Scheme (PCSPS), for staff who transferred from Historic England on 1 April 2015 and a Group Personal Pension Plan (GPPP).

As the PCSPS is an unfunded multi-employer defined benefit scheme, English Heritage is unable to identify its share of the underlying assets, liabilities, surplus or deficit. English Heritage is not aware of any implications arising from the current status of the PCSPS. A full actuarial valuation was carried out as at 31 March 2018. Details can be found in the resource accounts of the Cabinet Office Civil Superannuation (www.civilservicepensionscheme.org.uk). English Heritage has no liability beyond the annual pension contributions made on behalf of its employees.

The scheme actuary reviews employer contributions (usually every four years) following a full scheme valuation. The contribution rates are set to meet the costs of the benefits accruing during the year ended 31 March 2018 to be paid when the member retired and not the benefits paid during the period to existing pensioners.

The GPPP is a defined contribution scheme and, as such, contributions made to it in the year are accounted for as an expense in the SOFA. In 2017/18, expenses amounted to £0.6 million (2016/17: £0.5 million). The expenses and liabilities relating to the scheme have been allocated in accordance with employee activity.

Total employer pension contributions for the year amounted to £3,997,000 (2016/17: £4,208,000) of which £3,111,000 was payable to the PCSPS (2016/17: £3,550,000).

The total employee benefits (including employer pension contributions) received by the Senior Management Team in the year to 31 March 2018 was £1.0 million (2016/17: £0.8 million).

The following number of employees within the whole Charity received salaries, bonuses and other allowances in excess of £60,000:

	2017/18 Number	2016/17 Number
£60,000–£69,999	5	2
£70,000–£79,999	8	4
£80,000–£89,999	3	3
£90,000–£99,999	1	3
£100,000–£109,999	2	1
£110,000–£119,999	1	-
£140,000–£149,999	-	1
£150,000–£159,999	1	-

The Charity's Trustees were not paid and did not receive any other benefits from employment with English Heritage or its subsidiary in the year (2016/17: £nil).

Three individual Trustees were reimbursed expenses during the year, with a value of £1,976 (2016/17: £1,228). These costs related to travel and subsistence incurred by these individuals while they undertook Trustee business.

In addition to this, third party costs of £460 (2016/17: £1,345) were incurred in order to facilitate the holding of Trustees' meetings in the London office. This amount primarily related to the costs of catering (2016/17: catering and travel).

Trustees also participated in two English Heritage Trust board meetings in the financial year, which were combined with visits to historic sites. Twelve Trustees attended the meetings, along with a Strategy day. The Trustees' share of the venue, accommodation and subsistence costs relating to these meetings has been calculated as being £5,854 (2016/17: £4,995).

13 Related Party Transactions and Connected Bodies

Connected Bodies

Historic England is the sole member of the Charity and is regarded as a related party. There were material transactions with Historic England in respect of payments made to Historic England for shared services (£10.8 million, 2016/17: £11.2 million), and book purchases (£20,000, 2016/17: nil) and receipts relating to the annual subsidy which forms part of the New Model arrangements (£14.4 million, 2016/17: £14.4 million) and for shared services provided to Historic England (£0.3 million, 2016/17: £0.3 million).

Material Transactions with Related Party Interests

During the year, the Charity had the following related party transactions, all of which were made on an arm's length basis, that require disclosure.

Trustees

Sir Laurie Magnus is a Trustee of Windsor Leadership which provided £3,000 of leadership training. He is also a Trustee of The All Churches Trust, which owns 100% of Ecclesiastical Insurance Group. The Charity made payments of £240,000 (2016/17: £456,000) to Ecclesiastical for insurance premiums through JLT Speciality Limited.

Mr Ian McCaig is a board member of VisitBritain which made payments to the Charity of £71,000 (2016/17: £55,000) relating to sales of site admissions and overseas visitor passes. VisitBritain also received £30,000 (2016/17: £34,000) from the Charity relating to advertising and conference bookings.

Professor Ronald Hutton is an Honorary Vice President of the Sealed Knot Society, which received payments of £5,000 (2016/17: £3,000) for re-enactments at events.

Ms Sarah Staniforth CBE is a member of Westminster Abbey Fabric Commission. Westminster Abbey paid £1,000 to the Charity for a scaffolding licence.

Ms Victoria Barnsley OBE is the Executive Chair of Castle Howard Estate Ltd. Also on the board are her husband as Non-Executive Chairman and her stepson as a Non-Executive Director. The Charity made sales with a value of £nil (2016/17: £300) to this organisation and paid rent of £16,000 (2016/17: £nil) to The Strickland Estate c/o Castle Howard Estate Ltd.

The husband of Kate James-Weed is the Chief Marketing Officer of Unilever plc, which paid £62,500 to English Heritage Trading Limited during the year in respect of sponsorship fees (2016/17: £600,000). There were no amounts outstanding at the year end (2016/17: nil).

No other Trustees, key managerial staff or other related parties have undertaken any material related party transactions with the Charity during the year.

14 Intangible Assets

Group and Charity

	Software Licences £'000	Systems Development £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation at 1 April 2017	1,272	1,412	90	2,774
Additions	-	-	437	437
Revaluations	30	32	-	62
Impairment Reversals	-	2	-	2
At 31 March 2018	1,302	1,446	527	3,275
Amortisation at 1 April 2017	827	811	-	1,638
Charged in Year	157	110	-	267
Revaluations	23	21	-	44
At 31 March 2018	1,007	942	-	1,949
Carrying Amount at 31 March 2017	445	601	90	1,136
Carrying Amount at 31 March 2018	295	504	527	1,326

15 Tangible Assets

Group and Charity

	Operational Land & Buildings £'000	Plant & Machinery £'000	Information Systems £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation at 1 April 2017	6,491	3,029	327	1,164	4,990	16,001
Additions	646	40	-	-	7,403	8,089
Reclassifications	6,026	230	-	64	(6,320)	-
Disposals	-	(52)	-	-	-	(52)
Impairments	-	-	-	(6)	-	(6)
Impairment reversal	-	1	-	-	-	1
Revaluations	620	47	8	(8)	-	667
At 31 March 2018	13,783	3,295	335	1,214	6,073	24,700
Depreciation At 1 April 2017	497	1,759	219	568	-	3,043
Charged in Year	811	496	18	103	-	1,428
Disposals	-	(48)	-	-	-	(48)
Revaluations	49	39	6	(8)	-	86
At 31 March 2018	1,357	2,246	243	663	-	4,509
Carrying Amount at 31 March 2017	5,994	1,270	108	596	4,990	12,958

Net impairments of £3,000 were recognised in full in the SOFA in 2017/18 (2016/17: £13,000) in relation to both tangible and intangible assets. This consists of £6,000 impairment and £3,000 impairment reversal as a result of annual revaluations.

16 Heritage Assets

Group and Charity

Held on the Balance Sheet	£'000 2017/18	£'000 2016/17
Cost or Valuation at 1 April	81	81
Additions	250	-
	£'000 2017/18	£'000 2016/17
Purchases and additions	-	-
Donations	250	-
Total Additions	250	-
Heritage assets charged to SOFA in year	11	-
Total Expenditure	261	-

Donations of £0.25 million of heritage assets were received during the year (2017: £nil), relating to the digitisation of heritage assets.

No impairments of heritage assets were recognised during the year (2017: none) and there were no disposals during the year (2017: none).

17 Further Information on the Charity's Heritage Assets

Land and Buildings

From 1 April 2015, the care and management of the Collection has been transferred from Historic England to the Charity by way of an eight-year Property Licence and Operating Agreement. The ownership or guardianship of those properties remain with Historic England.

The Charity manages the Collection of over 400 historic properties throughout England providing a diverse portfolio that includes World Heritage Sites, industrial monuments, castles, historic houses, abbeys, forts, stone circles and a large part of Hadrian's Wall. They range from prehistoric ruins to the lavishly furnished Osborne House. In age they range from Neolithic burial chambers dating from 3500 - 2600BC to 20th century houses.

The National Heritage Collection is held by Historic England under various arrangements, with many being in the guardianship of the Secretary of State for Digital, Culture, Media and Sport with the freehold being retained by the owner.

The remaining properties are in the ownership of Historic England, other Government departments or the Crown Estate.

A full listing of the Collection is contained in the Membership Handbook and is available on the website. The handbook also includes full details of public access to these sites.

All expenditure on the conservation and maintenance of property has been charged to the SOFA as it was incurred.

Historic Artefacts

As part of the Collection, English Heritage manages approximately 700,000 historic artefacts, ranging from environmental remains and archaeological artefacts to pottery, fine art and furnishings.

The historic objects are an integral part of the properties in the Collection. As well as being of significance in their own right, they assist in interpreting and presenting the properties to the public and they provide a valuable research resource for heritage professionals and English Heritage employees.

18 Conservation and Management

English Heritage has developed an Asset Management Plan (AMP) to manage the estate according to nationally established conservation priorities. This gives English Heritage an awareness of the scale of the conservation deficit in relation to the resources available to it along with impact assessments of English Heritage's ability to procure the necessary works.

The work streams are as follows:

- Conservation Maintenance Programme: used to fund works to address the conservation defects on heritage assets, specifically on land and buildings.
- Annual Maintenance Programme: planned cyclical and response maintenance.
- Minor Planned Maintenance Programme: small repair projects usually of less than £50,000.
- Major Planned Repair Programme: larger long-term or one-off conservation projects usually of more than £50,000.
- Capital Investment Programme: commercial investment projects.

Total expenditure on site maintenance of £17.5 million was incurred during the year ended 31 March 2018 (2017: £17 million).

English Heritage also manages the acquisition, conservation and storage of artefacts, collections and historic interiors using its own experts, who specialise in the care of fine and applied art, conservation science, environmental and pest control.

It is English Heritage's responsibility to ensure that the conservation, commercial and visitor-led development of sites is guided, planned and executed so as to sustain the values and significance of the sites. English Heritage is also responsible for the development of presentation and interpretation schemes and the development of Heritage Protection Agreements at sites.

19 Investments

a) Fixed Assets

Charity

	Total 2018 £'000	Total 2017 £'000
At 1 April	2,028	2,028
Transfer of share capital of English Heritage Trading Limited	-	-

Details of the subsidiary undertakings are given in Note 5.

b) Current Assets

Group and Charity

	Total 2018 £'000	Total 2017 £'000
At 1 April	1,240	1,217
New Investments in year	1,533	23

All current asset investments were held with UK clearing banks on short term deposits or notice accounts.

20 Stocks

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Stock held for resale	7,450	6,354	65	50
Work in progress	7	62	-	-

A provision of £64,000 was made in the group for slow-moving stock during 2018 (2017: £62,000). A total of £9.9 million of stock was recognised as an expense in the SOFA (2017: £7.9 million), including write-offs of £0.4 million.

21 Debtors

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade Debtors	605	1,549	597	1,375
Taxation and Social Security	-	2,094	-	2,141
Prepayments and Accrued Income	3,972	3,177	3,972	3,083
Other Debtors	910	890	910	890
Amounts Owed by Group Undertakings	84	14	5,860	4,949
Total Debtors	5,571	7,724	11,339	12,438

All of the above debtors are due within one year.

22 Cash at Bank and in Hand

	2018 £'000	2017 £'000
Group		
At 1 April	66,967	79,506
Net change in Cash at Bank and in Hand	(2,327)	(12,539)
The balances at 31 March were held as:		
Cash in Hand	54,533	66,967
Notice Deposits (less than three months)	10,107	-
The balances at 31 March were held with:		
Government Banking Service	40,339	51,340
Commercial Banks in the United Kingdom	24,301	15,627
Charity		
At 1 April	66,443	79,397
Net change in Cash at Bank and in Hand	(2,258)	(12,954)
The balances at 31 March were held as:		
Cash in Hand	54,078	66,443
Notice Deposits (less than three months)	10,107	-
The balances at 31 March were held with:		
Government Banking Service	40,339	51,340
Commercial Banks in the United Kingdom	23,846	15,103

23 Commitments

a) Group and Charity

Expenditure contracted at 31 March 2018 but not provided for in the financial statements amounted to £20.1 million (2017: £21.8 million) including capital commitments of £2 million (2017: £3.1 million). £18.1 million (2017: £18.7 million) of the commitment comprised stock, conservation and maintenance, professional fees, interpretation and signage, utility costs and staff costs, which will be incurred in 2018/19, funded by ongoing operations. The capital commitments include visitor improvements for Audley End House and Gardens, Birdoswald Roman Fort, Corbridge Roman Town, Framlingham Castle, Mount Grace Priory House and Gardens, Orford Castle, Tintagel Castle and Whitby Abbey.

b) Operating Leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods, split between Land and Buildings and Other:

	2018 £'000	2017 £'000
Land and Buildings		
Not later than one year	1,598	1,119
Later than one year and not later than five years	6,100	4,195
Later than five years	20,832	16,227
Other		
Not later than one year	79	78
Later than one year and not later than five years	50	75
Later than five years	-	-

The majority of leases relate to property rentals and are subject to rent reviews. During the year ended 31 March 2018, payments under operating leases totalled £1.72 million (2017: £1.41 million).

24 Contingent Assets

Group and Charity

No contingent assets have been recognised in the year.

25 Contingent Liabilities

Group and Charity

Various outstanding claims existed at 31 March 2018. Provision has been made in the accounts for the year ended 31 March 2018 for those outstanding liabilities that will probably require settlement, and where the amount of the liability can be reliably estimated (Note 29). £113,000 of contingent liabilities have been identified at 31 March 2018 (2017: £150,000). This relates to six personal injury claims for which the timing of any potential outflow is uncertain and against which no reimbursement is anticipated.

26 Creditors: Amounts falling due within one year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade Creditors	4,255	10,323	4,255	10,323
Taxation and Social Security	711	547	711	547
Deferred Income	13,174	12,002	13,134	11,866
Accruals	12,507	5,215	12,496	5,203
Other Creditors	536	243	536	243
Amounts Owed to Group Undertakings	999	73	999	73

27 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Deferred Income	1,950	1,863	1,950	1,863

£1.9 million (2017: £1.8 million) of the balance above relates to Life Membership, which has been deferred over 10 years. The remainder represents advance bookings for events.

28 Movement on Deferred Income

Group

	Balance as at 1 April 2017 £'000	Amounts Deferred £'000	Amounts Released £'000	Balance as at 31 March 2018 £'000
Amounts falling due within one year				
Annual Membership	10,111	13,943	(12,465)	11,589
Advance Bookings for Events	198	736	(198)	736
Life Membership	394	422	(394)	422
Holiday Cottages	243	240	(243)	240
Other Income	1,056	187	(1,056)	187
	12,002	15,528	(14,356)	13,174
Amounts falling due after more than one year				
Life Membership	1,791	553	(478)	1,866
Advance Bookings for Events	72	64	(68)	68
Other Income	-	16	-	16
	1,863	633	(546)	1,950
Total	13,865	16,161	(14,902)	15,124

Other deferred income for English Heritage Trading Limited amounted to £38,000 for the year (2017: £136,000).

29 Provisions

Group and Charity

All provisions (£44,000) relate to legal and constructive obligations identified at 31 March 2018 (2017: £10,000).

30 Reconciliation of Movement in Funds

	At 1 April 2017 £'000	Incoming Resources £'000	Outgoing Resources £'000	Transfer between funds	Other Recognised Gains	At 31 March 2018 £'000
New Model	53,248	-	(6,914)	(6,177)	-	40,157
Elizabeth Wagland Fund	1,072	4	-	-	-	1,076
Blue Plaques	297	51	(169)	-	-	179
Ranger's House Wernher Collection	242	1	(185)	-	-	58
Gardens Bursary Scheme	170	579	(218)	-	-	531
Furness Abbey	125	-	-	-	-	125
Bayham Abbey	86	-	(27)	-	-	59
Wrest Park Gardens	81	51	(131)	-	-	1
Marble Hill	76	93	-	-	-	169
Signage & Interpretation	75	-	-	(50)	-	25
Kenwood	69	36	(105)	-	-	-
Osborne Swiss Cottage	52	-	(52)	-	-	-
Battle Abbey	50	-	(50)	-	-	-
Neoclassical Buildings	36	-	-	-	-	36
Cornwall	33	-	(33)	-	-	-
Apsley House	30	-	(30)	-	-	-
Isle of Wight	25	-	(25)	-	-	-
Walmer Castle and Gardens	24	12	(12)	(24)	-	-
Hadrian's Wall	21	-	(10)	(11)	-	-
Ranger's House	15	67	(37)	(13)	-	32
Lanercost Priory	15	-	-	-	-	15
Osborne	9	36	(45)	-	-	-
Dover Castle - Admiralty Lookout	-	66	-	-	-	66
Belsay Northern Arts	-	23	-	-	-	23
Richmond Castle - Voices of Rebellion	-	89	(41)	(27)	-	21
Wheelchairs	-	20	-	-	-	20
Corbridge Roman Town	-	276	(3)	(133)	-	140
Dover Castle	-	401	-	-	-	401
Other	64	1,156	(1,062)	(94)	-	64
Total Restricted Funds	55,915	2,961	(9,149)	(6,529)	-	43,198
Endowment Fund:						
The Once and Future Fund	-	92	-	-	-	92
Total Endowment Funds	-	92	-	-	-	92
Unrestricted Funds:						
Revaluation Reserve	273	-	-	(21)	599	851
Designated Funds	149	-	-	-	-	149
General Funds	9,909	112,950	(105,586)	6,550	-	23,823
Total Unrestricted Funds	10,331	112,950	(105,586)	6,529	599	24,823
Net movement in funds	65,246	116,003	(114,735)	-	599	48,113

All donations have been received to fund the stated aims of the Charity and are limited for this purpose. Where donors have requested that a donation be spent on a specific project or activity, this has been noted above. All restricted funds are used to support specific sites or projects as requested by the donor, within the stated aims of the Charity. On 28 March 2013, the Elizabeth Wagland Fund (charity registration number 1140351-1) was linked to The English Heritage Trust under Section 12(1) of the Charities Act 2011. Funds are used to support the specific purpose of the Elizabeth Wagland Fund as amended by a cy-pres scheme on 2 July 2012 and movements on the Fund are shown in the note above.

Endowment Funds

The Once and Future Fund is an endowment provided by the Heritage Lottery Fund. Fundraising efforts will be made to raise up to £1 million which will be matched by the HLF and the resultant capital endowment will be maintained for at least 20 years. The fundraising campaign is estimated to be completed by the end of March 2021 and from April 2022, after the fund has been invested for one year, the income from the investment will be used primarily on a targeted programme of small-scale conservation, interpretation and signage improvement, publicity and promotion and community engagement at one selected site per year, by rotation. The amount above includes matched funding from the HLF.

31 Analysis of Net Assets Between Funds

Group as at 31 March 2018

	Revaluation Reserve £'000	Designated Fund £'000	Endowment Fund £'000	General Fund £'000	Restricted Fund £'000	Total £'000
Fixed Assets	851	-	-	20,997	-	21,848
Cash at Bank and in Hand	-	149	92	24,060	40,339	64,640
Other Current Assets	-	-	-	12,942	2,859	15,801
Creditors: amounts falling due within one year	-	-	-	(32,182)	-	(32,182)
Creditors: amounts falling due after more than one year	-	-	-	(1,994)	-	(1,994)

Charity as at 31 March 2018

	Financial Asset Reserve £'000	Revaluation Reserve £'000	Designated Fund £'000	Endowment Fund £'000	General Fund £'000	Restricted Fund £'000	Total £'000
Fixed Assets	2,028	851	-	-	20,997	-	23,876
Cash at Bank and in Hand	-	-	149	92	23,605	40,339	64,185
Other Current Assets	-	-	-	-	11,318	2,859	14,177
Creditors: amounts falling due within one year	-	-	-	-	(32,131)	-	(32,131)
Creditors: amounts falling due after more than one year	-	-	-	-	(1,994)	-	(1,994)

Group as at 31 March 2017

	Revaluation Reserve £'000	Designated Fund £'000	Endowment Fund £'000	General Fund £'000	Restricted Fund £'000	Total £'000
Fixed Assets	273	-	-	13,902	-	14,175
Cash at Bank and in Hand	-	149	-	15,478	51,340	66,967
Other Current Assets	-	-	-	10,631	4,749	15,380
Creditors: amounts falling due within one year	-	-	-	(28,229)	(174)	(28,403)
Creditors: amounts falling due after more than one year	-	-	-	(1,873)	-	(1,873)
Total	273	149	-	9,909	55,915	66,246

Charity as at 31 March 2017

	Financial Asset Reserve £'000	Revaluation Reserve £'000	Designated Fund £'000	Endowment Fund £'000	General Fund £'000	Restricted Fund £'000	Total £'000
Fixed Assets	2,028	273	-	-	13,902	-	16,203
Cash at Bank and in Hand	-	-	149	-	14,954	51,340	66,443
Other Current Assets	-	-	-	-	8,979	4,749	13,728
Creditors: amounts falling due within one year	-	-	-	-	(28,081)	(174)	(28,255)
Creditors: amounts falling due after more than one year	-	-	-	-	(1,873)	-	(1,873)
Total	2,028	273	149	-	7,881	55,915	66,246

32 Financial Instruments

English Heritage holds only basic financial assets and liabilities that are all measured at amortised cost.

	2018 Group £'000	2018 Charity £'000	2017 Group £'000	2017 Charity £'000
Financial Assets				
Debtors	1,599	7,367	2,453	7,214
Current Asset Investments	2,773	2,773	1,240	1,240
Cash	64,640	64,185	66,967	66,443
	69,012	74,325	70,660	74,897
Financial Liabilities				
Creditors: amounts falling due within one year	(5,790)	(5,790)	(10,639)	(10,639)
	(5,790)	(5,790)	(10,639)	(10,639)

33 Ultimate Parent Entity and Ultimate Controlling Entity

English Heritage is wholly controlled by the Historic England, a body corporate which was established in England under the National Heritage Act 1983 and that is an Executive Non-Departmental Public Body sponsored by DCMS. The largest group in which the results of English Heritage are consolidated is Historic England, which comprises the Historic Buildings and Monuments Commission for England, The English Heritage Trust, the Iveagh Bequest, Historic England Foundation, Historic England Limited, English Heritage Limited and English Heritage Trading Limited. The consolidated accounts are available to the public and may be obtained from Historic England, The Engine House, Firefly Avenue, Swindon, SN2 2EH. The ultimate controlling entity is the Historic Buildings and Monuments Commission for England, by virtue of its single shareholding in English Heritage. The principal activities of Historic England are to look after England's historic environment by championing historic places and helping people understand, value and care for them.

34 Post Balance Sheet Events

There were no post balance sheet events.

35 Statement of Financial Activities 2016/17

a) Consolidated Statement of Financial Activities (including consolidated Income and Expenditure Account) for year ending 31 March 2017

	Note	Unrestricted 2016/2017 £'000	Restricted 2016/17 £'000	Total 2016/17 £'000	Total 2015/16 £'000
INCOME FROM:					
Donations and Legacies	3a	1,662	1,829	3,491	2,497
Charitable Activities					
Conserving our Properties	3a	1,483	-	1,483	1,594
Membership and Admissions	3a	57,783	-	57,783	52,835
New Model	2, 3a	14,671	-	14,671	15,817
Other Trading Activities					
Running our Properties	3a	24,473	-	24,473	21,816
Licensing and Sponsorships	3a	1,046	-	1,046	707
Investments	3a, 4	26	22	48	136
Other Income	3a	-	-	-	9
Total		101,144	1,851	102,995	95,411
EXPENDITURE ON:					
Raising Funds					
Fundraising	6a	(905)	-	(905)	(642)
Running our Properties	6a	(20,090)	(123)	(20,213)	(18,340)
Licensing and Sponsorships	6a	(272)	-	(272)	(156)
Charitable Activities					
Conserving our Properties	6a	(31,869)	(986)	(32,855)	(33,555)
Membership and Admissions	6a	(44,466)	-	(44,466)	(40,049)
New Model	2, 6a	(1,015)	(9,484)	(10,499)	(7,517)
Total		(98,617)	(10,593)	(109,210)	(100,259)
Exceptional Non-Operating Gain/(Loss)					
	9	-	-	-	(5,918)
Transfers between funds					
	10	7,373	(7,373)	-	-
OTHER RECOGNISED GAINS/(LOSSES):					
Gain on revaluation of fixed assets	15, 16	154	-	154	119
Net movement in funds		10,681	(16,110)	(5,429)	(10,767)
RECONCILIATION OF FUNDS:					
Total funds brought forward		277	72,030	72,307	82,954
Total funds carried forward		10,381	55,915	66,296	72,307

The Statement of Financial Activities includes all gains and losses recognised in the year and all income and expenditure derives from continuing activities.

b) English Heritage Trust Statement of Financial Activities (including Income and Expenditure Account)
for year ending 31 March 2017

	Note	2016/17 Unrestricted £'000	2016/17 Restricted £'000	2016/17 Total £'000	2015/16 Total £'000
INCOME FROM:					
Donations and Legacies					
Fundraising	3b	3,858	1,829	5,687	5,564
Charitable Activities					
Conserving our Properties	3b	1,483	-	1,483	1,594
Membership and Admissions	3b	57,783	-	57,783	52,835
New Model	2, 3b	14,671	-	14,671	15,817
Other Trading Activities					
Running our Properties	3b	12,642	-	12,642	12,919
Licensing and Sponsorship	3b	302	-	302	-
Investments	3b, 4	26	22	48	136
Other Income	3b	-	-	-	9
Total		90,765	1,851	92,616	88,874
EXPENDITURE ON:					
Raising Funds					
Fundraising	6b	(1,083)	-	(1,083)	(642)
Running our Properties	6b	(11,832)	(123)	(11,955)	(11,959)
Licensing and Sponsorship	6b	(59)	-	(59)	-
Charitable Activities					
Conserving our Properties	6b	(30,884)	(986)	(31,870)	(33,555)
Membership and Admissions	6b	(43,365)	-	(43,365)	(40,049)
New Model	2, 6b	(1,015)	(9,484)	(10,499)	(7,517)
Total		(88,238)	(10,593)	(98,831)	(93,722)
Exceptional Non-Operating Gain/(Loss)					
	9	-	-	-	(5,918)
Transfers between funds					
	10	7,373	(7,373)	-	-
OTHER RECOGNISED GAINS/(LOSSES):					
Gain on revaluation of fixed assets	15, 16	154	-	154	119
Net Movement in Funds		10,054	(16,115)	(6,061)	(10,877)
RECONCILIATION OF FUNDS:					
Total funds brought forward		277	72,030	72,307	82,954
Total funds carried forward		10,331	55,915	66,246	72,077

The Statement of Financial Activities includes all gains and losses recognised in the year and all income and expenditure derives from continuing activities.



Painting conservation at West Park

TRUSTEES' BIOGRAPHIES



Vice Admiral Sir Tim Laurence
KCVO, CB, ADC

Sir Tim Laurence is Chairman of The English Heritage Trust, having previously served for four years as a Commissioner of English Heritage prior to it becoming a charity. A career naval officer, his time in uniform ended after serving for three years as Chief Executive in charge of the Defence Estate, with responsibility for some 700 listed buildings, 1,200 scheduled monuments and 170 SSSIs. Since then Tim has pursued his enthusiasm for regeneration, as Chairman of two regeneration companies; for major projects, as Chairman of the Major Projects Association; and for heritage through his involvement with English Heritage and the HMS Victory Preservation Company. He is also a Trustee of RNLI and is Vice Chairman of the Commonwealth War Graves Commission. Tim is an ex officio member of English Heritage's Audit and Risk Committee and a member of the Remuneration and Appointments Committee. He is also a Director of English Heritage Trading Limited.



Alex Balfour

Alex Balfour is CEO at Digital Brand Services (UK) Ltd which helps some of the world's best-known sports and entertainment brands grow their digital properties. He is also a senior consultant to TEAM which manages the commercial rights of the UEFA Champions League. Previously Alex was Head of New Media for the London Organising Committee of the Olympic and Paralympic Games where he built a team from scratch that delivered 77 digital channels to 150 million consumers. Alex has also served as Chief Digital Officer of the Engine Group, Chief Digital Officer of Haymon Boxing Management, and was co-founder and Chairman of ESPN CricInfo. Alex is an assessor for Innovate UK, a Commissioner of Historic England and a director of several businesses in the financial services sector, including Credec and Datatracks (UK).



Victoria Barnsley (Howard) OBE

Victoria Barnsley (Howard) OBE is Executive Chairman of Castle Howard Estate Ltd. Previously she was CEO and Publisher of HarperCollins UK and International, a role she took up after News Corp acquired her independent publishing house, Fourth Estate, in 2000. She has held many high-profile roles in the sector including President of the Publishers' Association, Chair of World Book Day and publishing representative on the Creative Industries Council. In addition to heritage and literature, Victoria has an extensive interest in the visual arts and is a former Trustee of both Tate and the National Gallery. She is also a member of the English Heritage Remuneration and Appointments Committee and a Director of English Heritage Trading Limited.



Charles Gurassa

Charles Gurassa has 40 years' experience in the travel and tourism industry. He is a former Chief Executive of Thomson Travel Group, Executive Chairman of TUI Northern Europe and Director of TUI AG, and prior to that a Senior Executive at Thomas Cook and British Airways. He is also a former Deputy Chairman of the National Trust and former Chairman of Genesis Housing Association. He is currently Chairman of Channel 4, Deputy Chairman at easyJet plc and the Senior Independent Director of Merlin Entertainments plc. Charles chairs English Heritage's Remuneration and Appointments Committee and is a Director of English Heritage Trading Limited.



Sukie Hemming

Sukie Hemming was previously Director of Corporate Affairs at the British Museum and prior to that was Director of Development at the Museum. She has worked for the National Trust in a variety of roles, including senior development, and as a member of a National Trust regional committee. Sukie is an experienced fundraiser and has worked as a consultant. She is a Trustee of the Chelsea Physic Garden.



Professor Ronald Hutton

Professor Ronald Hutton is Professor of History at the University of Bristol. Prior to this he was a Fellow of Magdalen College, Oxford, before serving as Lecturer and then Reader in History at Bristol University. He is a Fellow of the Royal Historical Society, the Society of Antiquaries, the Learned Society of Wales and the British Academy. Ronald is a former Commissioner of English Heritage prior to it becoming a charity and a former Chairman of the Designation Review and Remuneration Committees. Ronald chairs the English Heritage Blue Plaques Panel.



Kate James-Weed

Kate James-Weed is an artist. She also restores upholstery of antique furniture and has previous experience in design, magazine publishing and conservation in museums. She has studied in watercolour and ceramics and is an art history graduate.



Sir Laurie Magnus

Sir Laurie Magnus is Chairman of Historic England, the public body that champions and protects England's built historic environment. He was Deputy Chairman of the National Trust from 2005 to 2013. Laurie is Deputy Chairman (Europe) of Evercore Partners and holds a number of non-executive directorships within the finance sector. He has over 40 years' experience in the corporate finance advisory business, including in South-East Asia. In the not-for-profit sector, Laurie is Chairman of Windsor Leadership and a Trustee of the Allchurches Trust. Laurie is also a Director of English Heritage Trading Limited.



Ian McCaig

Ian McCaig was Chief Executive of First Utility, the UK's largest independent energy company, from 2011 to 2017. Prior to that he was CEO at lastminute.com, where he spent eight years. Previously Ian had worked at Nokia across various international roles in Europe and Asia, having spent his early career in the IT and Telecoms industries. He is a member of the Board of the British Tourist Authority and of the NSPCC's National Fundraising Committee. Ian chairs English Heritage's Audit and Risk Committee.



Kunle Olulode

Kunle Olulode is the Director of Voice4Change, an umbrella Black and Minority Ethnic (BME) organisation representing over 400 BME charity community groups across England. He is also a curatorial, programme and audience development advisor to a wide range of cultural institutions including the British Library, the Victoria and Albert Museum, Wellcome Collection, Yorkshire Sculpture Park and the Catalan Institute in London. Possessing a keen interest in film, he has been part of the British Film Institute's African Odyssey programming team for several years. He was previously UK Creative Director and producer with the Catalan live entertainment company Mas i Mas in Barcelona. With wide-ranging experience of policy development in the equalities and policy field, Kunle is a valued member of the Cabinet Office's Democracy Council, which is currently overseeing events commemorating the 100th anniversary of the Representation of the People Act.



David Olusoga

David Olusoga is a British-Nigerian historian, broadcaster and film-maker. His most recent TV series include *Black and British: A Forgotten History* (BBC Two), *The World's War* (BBC Two), *A House Through Time* (BBC Two) and the BAFTA-winning *Britain's Forgotten Slave Owners* (BBC Two). He is also the author of *Black & British: A Forgotten History* which was awarded both the Longman-History Today Trustees Award and the PEN Hessel-Tiltman Prize. His other books include *The World's War*, which won First World War Book of the Year in 2015. David was also a contributor to the *Oxford Companion to Black British History* and writes for *The Guardian*, *The Observer* and *BBC History* magazine. He is one of three presenters on the BBC's landmark Arts series *Civilizations*. David is also a member of the English Heritage Blue Plaques Panel.



Malcolm Reading

Malcolm Reading is the founder of Malcolm Reading Consultants, the leading independent organiser of international architectural competitions in the UK. An architect and an advocate for design excellence, Malcolm is widely recognised within the profession. He is a member of the Sovereign Grant Audit Committee, is the Chairman of the Tower of London World Heritage Site Consultative Committee, a former Trustee to Edinburgh World Heritage, and – having previously served as a Trustee for ten years – continues to advise Historic Royal Palaces. He has been a judge for World Architecture News' Education Award and 21 for 21 Award, the American Institute of Architects' UK Excellence in Design Award, the Stone Awards and the Prix W architectural prize. Malcolm is also an observer on Historic England's Historic Estates Committee.



Sarah Staniforth CBE

Sarah Staniforth CBE was previously the Museums and Collections Director at the National Trust and before that its Historic Properties Director and Head Conservator. She is a Trustee at the Landmark Trust, President of the International Institute for Conservation of Historic and Artistic Works, a Trustee of the Pilgrim Trust and a member of the Heritage Lottery Fund South West committee. Sarah is also an observer on Historic England's Historic Estates Committee and a member of English Heritage's Audit and Risk Committee.



James Twining

James Twining is Chief Executive of the Kingsbridge Group, a leading provider of specialist insurance services. Before that he was an Executive Director of Jardine Lloyd Thompson plc, where he had responsibility for Strategy, Mergers and Acquisitions and Communications and Marketing. With a background in investment banking, James has also worked for McKinsey & Co and as the finance director of a private equity backed start-up. Prior to becoming a Trustee, James was Chairman of the English Heritage Foundation. He is also a member of the English Heritage Audit and Risk Committee.

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58 PREHISTORIC
SITES



53
ROMAN
SITES

66
CASTLES

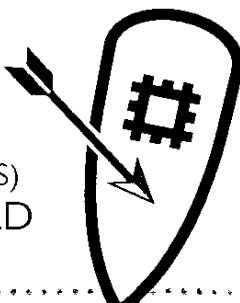


2 HILL
FIGURES



84
ECCLESIASTICAL
SITES

1
(VERY FAMOUS)
BATTLEFIELD



7
PALACES

1 COLD WAR
BUNKER

27
FORTS
&
DEFENCES



47
HALLS, HOUSES
& DOMESTIC
DWELLINGS

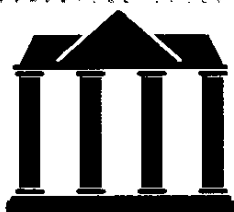
3
DESERTED
MEDIEVAL
VILLAGES

6 HISTORIC
BRIDGES



23 HISTORIC
GARDENS

13 AGRICULTURAL &
INDUSTRIAL SITES



3 MUNICIPAL
BUILDINGS

47
LONDON
STATUES



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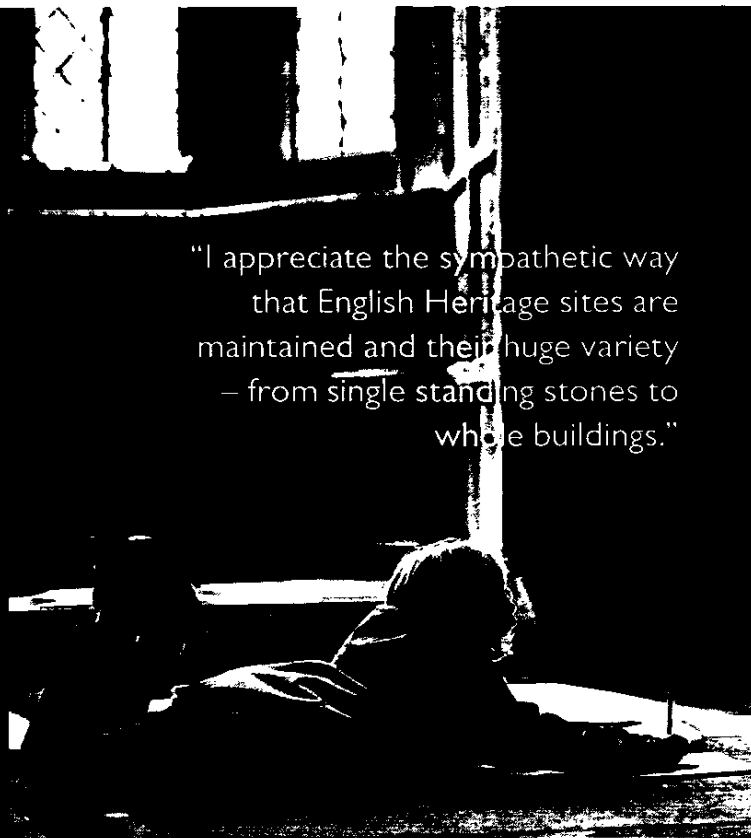
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