

Registered Number 02970369

ENGLISH HERITAGE TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 March 2015.

Business Review

Turnover for the year ended 31 March 2015 was £20,617,000 (2014: £17,085,000), this was earned from the trading activities connected to the work of the Historic Buildings and Monuments Commission for England. During the financial year 2014/2015, turnover has increased 21%. The majority of this increase is attributable to the full year effect of the Stonehenge Visitor Centre improvements and improved visitor numbers at sites.

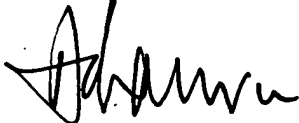
The results for the year are dealt with on page 7 of the financial statements. Profit on ordinary activities before charitable donations was £3,199,000 (2014: £2,069,000) which was donated to the Historic Buildings and Monuments Commission for England under the Gift Aid rules, leaving a retained profit of nil (2014: nil). The position of the company is provided on page 8 of the financial statements. The net asset position as at 31 March 2015 is £2,028,000 (2014: £ 2,028,000).

The principal risk and uncertainties affecting the Company are the state of the market in which it operates and the competitive pressures within this market. In developing its strategies and plans the Company takes full account of the need to minimise the impact of the risks associated with its business. Inventory obsolescence is monitored regularly and a write down policy followed to ensure that carrying values are prudent.

On 1 April 2015, the ownership of the Company changed by means of a stock transfer between the Historic Buildings and Monuments Commission for England and The English Heritage Trust (which is a wholly owned subsidiary of the Historic Buildings and Monuments Commission for England).

The trading activities of the Company have been reviewed with the transfer of ownership to The English Heritage Trust ("the Charity") and a number of activities deemed to be in line with the charitable objectives of the Charity have been absorbed into its daily operational activities. The Company's remaining activities will continue to be pursued with a focus on increasing turnover in the foreseeable future.

By order of the Board



Sir Tim Laurence

Director

24 June 2015

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2015.

Key Performance Indicators

The Company's Directors are of the opinion that the KPIs necessary for an understanding of the development, performance and position of the business are net assets and results and these are shown in the Strategic Report.

Dividend

The Directors do not recommend the payment of a dividend.

Directors and Directors' Interests

The Directors who held office from 1 April 2014 to the date of this report were as follows:

Mr David Fursdon (term of appointment ended 2 April 2014)
Mr John Walker (term of appointment ended 2 April 2014)
Mr Mark Pemberton (term of appointment ended 31 March 2015)
Dr Simon Thurley (term of appointment ended 31 March 2015)
Mr Martin Moore
Sir Laurie Magnus (appointed 22 April 2014)
Mrs Victoria Barnsley (appointed 25 March 2015)
Sir Tim Laurence (appointed 26 March 2015)
Mr Charles Gurassa (appointed 5 June 2015)
Ms Kate Mavor (appointed 5 June 2015)

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

Accounting Arrangements

The Historic Buildings and Monuments Commission for England (HBMCE) collects income and makes payments on behalf of the Company. HBMCE incurs costs which are shared between it and the Company. On a monthly basis there is a transfer between HBMCE and the Company to settle the intercompany debt for the preceding month. Consequently the Company balance sheet as at 31 March 2015 shows amounts owing to and from group undertakings in respect of March 2015 transactions.

Going Concern

The Company has adopted the Going Concern basis as no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

Company Secretary

The office of Company Secretary from 1 April 2014 to 31 March 2015 was held by Mr Michael Harlow.

DIRECTORS' REPORT (continued)**Auditing**

From 1 April 2008, the Accounts have been audited by the Comptroller and Auditor General, National Audit Office.

Audit fees charged for the year are reported in note 2. Remuneration paid to auditors in respect of non audit service in 2014/2015 was nil (2014: nil).

Disclosure of Information to Auditors

In accordance with Section 418, so far as each of the Directors is aware at the time the report is approved:

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

By order of the Board



Sir Tim Laurence

Director

24 June 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH HERITAGE TRADING LIMITED

I have audited the financial statements of English Heritage Trading Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of the directors and the auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its results for the year then ended; and
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In my opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ENGLISH HERITAGE TRADING LIMITED (continued)**

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, 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 directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit



Matthew Kay (Senior Statutory Auditor)

Date 2 July 2015

For and on behalf of the Comptroller and Auditor General (Statutory Auditor)

National Audit Office

157-159 Buckingham Palace Road

Victoria

London

SW1W 9SP

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 £'000	2014 £'000
Turnover	1c	20,617	17,085
Cost of Sales		(7,481)	(6,194)
GROSS PROFIT		13,136	10,891
Distribution and Promotion Costs		(1,043)	(1,001)
Administrative Expenses	1e	(8,898)	(7,826)
OPERATING PROFIT	2	3,195	2,064
Interest Receivable and Similar Income		4	5
PROFIT ON ORDINARY ACTIVITIES BEFORE CHARITABLE DONATIONS		3,199	2,069
Donation to the Historic Buildings and Monuments Commission for England		(3,199)	(2,069)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on Profit on Ordinary Activities	5	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-

All the turnover and operating profit relates to the continuing operations of the Company.

The Company had no recognised gains or losses during the year other than those in the profit and loss account.

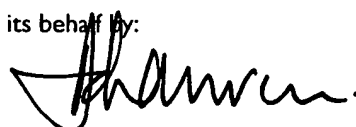
The notes on pages 9 to 15 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2015

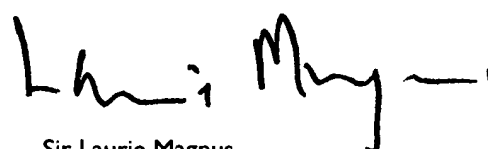
	Note	2015 £'000	2014 £'000
CURRENT ASSETS			
Stocks	6	5,839	5,162
Debtors	7	-	1,033
Cash at Bank and in Hand		-	501
		<u>5,839</u>	<u>6,696</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	8	(3,811)	(4,633)
		<u>2,028</u>	<u>2,063</u>
NET CURRENT ASSETS			
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	9	-	(35)
		<u>2,028</u>	<u>2,028</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called Up Share Capital	10	2,028	2,028
Profit and Loss Account	11	-	-
		<u>2,028</u>	<u>2,028</u>
SHAREHOLDER'S FUNDS			
	12	<u>2,028</u>	<u>2,028</u>

The notes on pages 9 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors on 24 June 2015 and were signed on its behalf by:



Sir Tim Laurence
Director



Sir Laurie Magnus
Director

NOTES TO THE FINANCIAL STATEMENTS

I STATEMENT OF ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared in accordance with UK applicable law and UK GAAP and under the historical cost convention.

The Company is exempt from the requirement of Financial Reporting Standard I to prepare a cash flow statement due to the fact that it is a wholly owned subsidiary undertaking and the group accounts which include the results of the subsidiary are publicly available.

The financial statements are prepared on a going concern basis.

b) Stocks

Stocks are stated at the lower of historic cost and net realisable value. Provision is made for slow moving or defective items where appropriate.

c) Turnover

Turnover represents the amounts (excluding Value Added Tax) derived from the sale of goods and services to third party customers. All turnover arose within England.

d) Segmental Reporting

The Directors consider that there is only one class of business activity.

e) Administrative Expenses

Administrative Expenses includes a management charge from HBMCE. This represents apportioned costs for services provided to English Heritage Trading Limited.

NOTES TO THE FINANCIAL STATEMENTS

	2015	2014
2 OPERATING PROFIT	£'000	£'000

Operating profit is stated after charging:

Auditors' Remuneration - Audit Work	<u>10</u>	<u>8</u>
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The external auditors have received no fee for non-audit work (2014: nil).

3 DIRECTORS' REMUNERATION

None of the Directors received any remuneration during the year in respect of English Heritage Trading Limited.

NOTES TO THE FINANCIAL STATEMENTS

4 STAFF COSTS

The company did not directly employ any staff during the year (2014: nil). All staff engaged on company activities, either on a full time or on a shared basis, have contracts of employment with HBMCE. The costs in relation to these employees are borne by the Company and thus require disclosure in these accounts.

	2015 £'000	2014 £'000
a) Employee Costs		
Staff engaged fully on Company activities		
Salaries and Wages	1,178	1,126
Social Security Costs	86	78
Pension Costs	209	198
Agency Staff Costs	9	58
	<u>1,482</u>	<u>1,460</u>
Costs of Shared Staff	3,653	3,194
Total Employee Costs	<u>5,135</u>	<u>4,654</u>

Restructuring within English Heritage in 2013/14 resulted in a transfer of activities between central and regional staff. The impact of this restructuring was a transfer of £379,000 from staff engaged fully on company activities to shared staff.

b) Employee Numbers

The average number of staff engaged on Company activities during the year was:

	2015 No.	2014 No.
Staff engaged fully on Company activities	46	44
Shared Staff	143	132
Total Employee Numbers	<u>189</u>	<u>176</u>

NOTES TO THE FINANCIAL STATEMENTS

5 TAXATION

The Company does not have a corporation tax liability for the year ended 31 March 2015 (2014: nil) due to the fact that the Company had no taxable profits after allowing for the donation to HBMCE under the Gift Aid rules. There are no factors which may affect future tax charges.

6 STOCKS	2015 £'000	2014 £'000
Goods for Resale	<u>5,839</u>	<u>5,162</u>

The stock balance is after write offs in the year of £149,000 (2014: £94,000) and overall provisions of £128,000 (2014: £81,000).

7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2015 £'000	2014 £'000
Amounts owed by Group Undertakings	-	1,032
Accrued Income	-	1
Total Debtors: Amounts Falling Due Within One Year	<u>-</u>	<u>1,033</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2015 £'000	2014 £'000
Amounts owed to Group Undertakings	3,398	4,112
Accruals and Deferred Income	413	521
Total Creditors: Amounts Falling Due Within One Year	<u>3,811</u>	<u>4,633</u>

NOTES TO THE FINANCIAL STATEMENTS

9	CREDITORS: AMOUNTS FALLING AFTER MORE THAN ONE YEAR	2015 £'000	2014 £'000
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Accruals and Deferred Income	-	35
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Total Creditors: Amounts Falling Due After One Year	-	35
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10	CALLED UP SHARE CAPITAL	2015 £'000	2014 £'000
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Allotted, Called Up and Fully Paid

Equity : 2,028,081 Ordinary shares £1 each	2,028	2,028
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11	RESERVES - PROFIT AND LOSS ACCOUNT	£'000
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At 1 April 2014	-
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Result for the Year	-
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At 31 March 2015	-
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NOTES TO THE FINANCIAL STATEMENTS

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS £'000

Opening Shareholder's Funds as at 1 April 2014 2,028

Result for the Year -

Closing Shareholder's Funds as at 31 March 2015 **2,028**

13 RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption under FRS 8 from reporting transactions with HBMCE.

There are no other related party transactions.

14 CONTINGENT LIABILITIES

No contingent liabilities are noted at 31 March 2015 (2014: nil).

15 ULTIMATE PARENT ENTITY AND ULTIMATE CONTROLLING ENTITY

The Company is a subsidiary undertaking of the Historic Buildings and Monuments Commission for England (HBMCE), a body corporate established in England under the National Heritage Act 1983. HBMCE has up to 17 Commissioners appointed by the Secretary of State for Culture, Media and Sport (DCMS) and is an Executive Non-Departmental Public Body sponsored by DCMS.

The largest group in which the results of the Company are consolidated is English Heritage, which comprises the Historic Buildings and Monuments Commission for England, the English Heritage Trust, the Iveagh Bequest, 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, 1 Waterhouse Square, 138-142 Holborn, London, EC1N 2ST.

The ultimate controlling entity is the Historic Buildings and Monuments Commission for England, by virtue of their holding the entire share capital.

16 POST BALANCE SHEET EVENTS

On 1 April 2015, the shares in the Company were passed to The English Heritage Trust for the consideration of £1 as part of the English Heritage New Model Contractual Framework. The English Heritage Trust is a wholly controlled by HBMCE and hence the ultimate parent and controlling entity for the Company does not change.