

**ENGLISH HERITAGE TRADING LIMITED**

**REGISTERED NUMBER 02970369**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2023**



## **CONTENTS**

<b>Key Company Information</b>	<b>3</b>
<b>Strategic Report</b>	<b>4</b>
<b>Directors' Report</b>	<b>6</b>
<b>Statement of Directors' Responsibilities for the Preparation of the Financial Statements</b>	<b>8</b>
<b>Independent Auditor's Report to the Shareholders of English Heritage Trading Limited</b>	<b>9</b>
<b>Financial Statements</b>	<b>13</b>
Statement of Comprehensive Income for the Year Ended 31 March	13
Statement of Financial Position at 31 March	14
Statement of Cash Flows for Year Ended 31 March	15
Statement of Changes in Equity for the Year Ended 31 March	16
<b>Notes to the Financial Statements</b>	<b>17</b>

**KEY COMPANY INFORMATION**

Registered Office	The Engine House Fire Fly Avenue Swindon Wiltshire SN2 2EH
Company Number	02970369
Directors	Mrs Victoria Barnsley (Howard) (resigned 21 June 2023) Mr Tony Cates (appointed 22 June 2023) Mr Charles Gurassa (resigned 31 December 2022) Sir Tim Laurence (resigned 31 December 2022) Sir Laurie Magnus (resigned 9 February 2023) Ms Kate Mavor (will resign 30 June 2023) Mr Mark Stuart-Smith (to be appointed 1 July 2023)
Auditors	National Audit Office 157-159 Buckingham Palace Road London SW1W 9SP
Principal bankers	HSBC Holdings plc Keith House 133 Regent Street London W1B 4HX
Solicitors	Mills & Reeve LLP 1 St James Court Whitefriars Norwich NR3 1RU  Womble Bond Dickinson 4 More London Riverside London SE1 2AU

## STRATEGIC REPORT

The directors present their strategic report for the year ended 31 March 2023.

### Business Review

English Heritage Trading Limited's (the Company) principal activity is to undertake non-exempt trading on behalf of its parent company, The English Heritage Trust (together English Heritage), which is a registered charity. These activities include retail and catering activities, raising sponsorship and licensing, and hosting weddings, holiday cottage lets and hospitality events.

The English Heritage Trust is responsible for the conservation and maintenance of the National Heritage Collection and for opening the monuments and sites in the National Heritage Collection for the benefit and enjoyment of the general public.

Turnover of the Company for the year ended 31 March 2023 was £19.9 million (2021/22: £13.5 million). The increase compared to the prior year was the result of the continued recovery of visitor numbers to pay-to-enter sites to 5.5 million (2021/22: 4.2 million).

The results for the year are set out on page 13 of the financial statements. The profit on ordinary activities before charitable donations was £1.5 million (2021/22: £1.4 million). This amount will be distributed to The English Heritage Trust under the Gift Aid rules.

The net asset position at 31 March 2023 is £2.0 million (2022: £2.0 million).

### Section 172 of the Companies Act 2006

As required under section 172 (1) (a-f) of the Companies Act 2006 the Directors have described within the Strategic Report in the parent company's Annual Report how they have had regard to their duties to promote the success of the company. The parent company's Annual Report is available at <https://www.english-heritage.org.uk/about-us/annual-reports>

### Principal Risks and Uncertainties

As the Company's principal activity is to undertake specific trading on behalf of The English Heritage Trust, the principal risks and uncertainties facing the Company are similar to those of its parent.

These principal risks and uncertainties are linked to delivering ambitious strategic goals, in particular, supporting the parent in the continued recovery from the Covid-19 pandemic and to remain financially sustainable - defined as generating sufficient income to fulfil its charitable purpose over the long term, in line with its strategy and without Government support. This requires continued income diversification and growth and ensuring that the organisational capacity and operational and technology infrastructure is in place to support this plan. Additionally, English Heritage is exposed to external perils, which impact on visitor numbers to sites and the member base, such as economic uncertainty, including rising inflation affecting the cost base, supply chain challenges, cost of living pressures on visitors' disposable income, and delays in the recovery of inbound tourism, as well as bad weather and public health incidents.

The impact of the Covid-19 pandemic, which led to the temporary closure of all of English Heritage's pay-to-enter sites and all gated free-to-enter sites for several months and social distancing being put in place once they reopened, resulting in the sites operating at a much-reduced visitor capacity in order to keep visitors, Members and staff safe in accordance with Government guidelines, adversely affected many of the principal risks in 2020/21 and into 2021/22.

Visitor numbers continued to be impacted throughout 2022/23, with total visitors to pay-to-enter sites of 5.5 million against a pre-Covid peak of 6.5 million and 6.4 million in 2017/18 and 2018/19 respectively, however there were no Government support measures available in 2022/23 (2021/22: £2.6 million comprising such as VAT reductions; retail, leisure and hospitality grants; and the Coronavirus Job Retention Scheme).

**STRATEGIC REPORT (continued)**

Current forecasts assume a recovery in visitor numbers to pre-pandemic levels by 2025/26 (combined domestic and inbound tourism), while the Member base recovered to pre-pandemic levels in 2021/22. The exceptionally challenging global economic environment means there is uncertainty inherent in forecasts; however, forecasts do not anticipate the need for further Government support as set out in the Funding Agreement relating to the National Heritage Collection (dated March 2015) which forms part of the English Heritage New Model Contractual Framework. The parent company's recovery from the impacts of the pandemic continues apace, with the main financial metrics for 2022/23 exceeding the targets set out in its Strategic Plan.

The financial projections are driven by detailed forecasts of the parent company's visitor numbers and the member base. Alongside the 2023/24 budget a sensitised scenario was produced with reductions across visitor numbers, member recruitment, member renewals, retail and food & beverage gross margins, unrestricted development income and increases to non-payroll costs because of inflation. Mitigations have been identified to offset the more cautious sensitised forecast and performance will be monitored closely to ensure that mitigations are implemented if necessary.

The 2023/24 budget was assessed in the context of the parent company's longer-term position to ensure that it remains financially sustainable and to build financial resilience. If the forecasts prove to be too ambitious, the business model will need to be adapted accordingly, although English Heritage will remain a going concern for the foreseeable future.

Risks are managed through a corporate risk register for English Heritage which is reviewed regularly by the Senior Management Team (SMT), the Audit and Risk Committee, and the Board of Trustees of the parent company. The SMT develops systems and procedures to identify and mitigate risks and the internal auditors, PwC, provide objective assurance that the major risks are being managed appropriately and that the key areas of risk management and internal control are operating effectively.

A detailed analysis of principal risks and uncertainties is set out in the parent company's Annual Report, which is available on the English Heritage website. The directors are content that risks are being appropriately managed.

By order of the board



Ms Kate Mavor, Director  
29 June 2023

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2023.

### Dividend

The directors do not recommend the payment of a dividend (2021/22: nil).

### Directors and Directors' Interests

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mrs Victoria Barnsley (Howard) (resigned 21 June 2023)

Mr Tony Cates (appointed 22 June 2023)

Mr Charles Gurassa (resigned 31 December 2022)

Sir Tim Laurence (resigned 31 December 2022)

Sir Laurie Magnus (resigned 9 February 2023)

Ms Kate Mavor (will resign 30 June 2023)

Mr Mark Stuart-Smith (to be appointed 22 June 2023)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. The directors of the company are trustees and members of the Senior Management Team of the parent company.

### Accounting Arrangements

The English Heritage Trust collects income and makes payments on behalf of the Company. It incurs costs which are shared between it and the Company. Consequently, the Company's Statement of Financial Position at 31 March 2023 shows amounts owing to group undertakings.

### Going Concern

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities and principal risks set out in the Strategic Report on pages 4 to 5. The parent company's Property Licence from Historic England ends in March 2025 and, whilst this date is beyond the period of assessment for the application of the going concern principle to these financial statements, it is a critical determinant of the parent company's ability to continue as a going concern in the medium term. The risk of the Property Licence not being extended has diminished and the parent company is entering a period of negotiation with Historic England which will conclude by the end of 2023/24. The directors have reviewed the latest financial forecasts and are satisfied that the company continues to adopt the going concern basis in preparing its financial statements.

### 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 4. Remuneration paid to auditors in respect of non-audit services in 2022/23 was nil (2021/22: nil).

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.

## **DIRECTORS' REPORT (Continued)**

### **Disclosure of Information to the Auditor**

In accordance with section 418 of the Companies Act 2006, so far as each of the directors is aware at the time that the report is approved:

- there is no relevant audit information of which the company's auditor is 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

A handwritten signature in black ink, appearing to read 'Kate Mavor', with a stylized flourish at the end.

Ms Kate Mavor, Director  
29 June 2023

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

The directors are responsible for preparing the Directors' Report including the Strategic 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 Accounting Standards, including FRS102 and the Companies Act 2006. 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 and 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.

By order of the board



Ms Kate Mavor, Director  
29 June 2023



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

### Opinion on Financial Statements

I have audited the financial statements of English Heritage Trading Limited for the year ended 31 March 2023 which comprise the:

- Statements of Financial Position as at 31 March 2023;
- Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of English Heritage Trading Limited's affairs as at 31 March 2023 and its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis of Opinions

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

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

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

### Conclusions Relating to Going Concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on English Heritage Trading Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other Information

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGLISH HERITAGE TRADING LIMITED (Continued)**

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

I have nothing to report in this regard.

### **Opinion on Other Matters Prescribed by the Companies Act 2006**

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

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

### **Matters on Which I Report by Exception**

In the light of the knowledge and understanding of English Heritage Trading Limited and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

### **Responsibilities of the Directors for the Financial Statements**

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- assessing English Heritage Trading Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGLISH HERITAGE TRADING LIMITED (Continued)**

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

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

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

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

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

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

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

### **Audit Response to Identified Risk**

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ENGLISH HERITAGE TRADING LIMITED (Continued)**

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

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

### **Other Auditor's Responsibilities**

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



Alexander Macnab (Senior Statutory Auditor)  
30 June 2023

For and on behalf of the  
Comptroller and Auditor General (Statutory Auditor)  
National Audit Office  
157-159 Buckingham Palace Road Victoria  
London SW1W 9SP

**FINANCIAL STATEMENTS****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH**

	<b>Note</b>	<b>2022/23 £000</b>	<b>2021/22 £000</b>
Turnover	2	19,888	13,476
Cost of sales		(8,043)	(6,037)
Grant Income	3	-	2,597
Gross Profit		11,845	10,036
Distribution expenses		(1,182)	(963)
Administrative expenses		(9,208)	(7,624)
Profit/(Loss) before taxation	4	1,455	1,449
Tax (charge) on profit at 19%	7	(276)	(268)
Tax relief in respect of gift aid	7	276	268
<b>Profit/(Loss) for the financial year</b>		<b>1,455</b>	<b>1,449</b>

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 Statement of Comprehensive Income.

The notes on pages 17 to 23 form part of these financial statements.

**STATEMENT OF FINANCIAL POSITION AT 31 MARCH**

	<b>Note</b>	<b>2023 £000</b>	<b>2022 £000</b>
Current assets			
Stock	8	6,211	5,567
Debtors	9	11,417	7,484
Cash at bank and in hand		732	1,996
		<b>18,360</b>	<b>15,047</b>
Creditors: amounts falling due within one year	10	(16,332)	(13,019)
<b>Net assets</b>		<b>2,028</b>	<b>2,028</b>
Capital and reserves			
Called up share capital	11	2,028	2,028
Retained earnings/(losses)		-	-
<b>Total shareholder's funds</b>		<b>2,028</b>	<b>2,028</b>

The notes on pages 17 to 23 form part of these financial statements.

These financial statements were approved by the Board of Directors on 21 June 2023 and were signed on their behalf by:



Ms Kate Mavor  
Director  
29 June 2023

Under Companies Act 2006, s454, on a voluntary basis, the directors can amend these financial statements if they subsequently prove to be defective.

**STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 MARCH**

	<b>Note</b>	<b>2023 £000</b>	<b>2022 £000</b>
Profit/(Loss) for the financial year		1,455	1,449
Adjustments for:			
(Increase)/decrease in stock	8	(644)	469
(Increase)/decrease in debtors	9	(3,933)	(6,366)
Increase/(decrease) in creditors	10	3,271	4,607
Amount distributed under Gift Aid		(1,413)	-
<b>Net cash generated by operating activities</b>		<b>(1,264)</b>	<b>159</b>
Cash and cash equivalents at the beginning of the year		1,996	1,837
Cash and cash equivalents during the year		(1,264)	159
<b>Cash and cash equivalents at the end of the year</b>		<b>732</b>	<b>1,996</b>

The Gift Aid distribution of £1,455,000, which has been accrued in the year ended 31 March 2023, is reflected as a movement in equity not as expenditure in the Statement of Comprehensive Income. Therefore, the movement in creditors does not match that in note 10.

The notes on pages 17 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH**

	<b>Called Up Share Capital £000</b>	<b>Retained Earnings £000</b>	<b>Total £000</b>
Balance as at 1 <sup>st</sup> April 2022	2,028	-	2,028
Amounts distributed under Gift Aid	-	(1,455)	(1,455)
Profit/(Loss) for the year	-	1,455	1,455
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>2,028</b>	<b>-</b>	<b>2,028</b>

	<b>Called Up Share Capital £000</b>	<b>Retained Earnings £000</b>	<b>Total £000</b>
Balance as at 1 <sup>st</sup> April 2021	2,028	(35)	1,992
Amounts distributed under Gift Aid	-	(1,413)	(1,413)
Profit/(Loss) for the year	-	1,449	1,449
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>2,028</b>	<b>-</b>	<b>2,028</b>

The notes on pages 17 to 23 form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

### I Statement of Accounting Policies

#### a) General Information

English Heritage Trading Limited is a company limited by shares incorporated in England. The registered office is The Engine House, Fire Fly Avenue, Swindon, Wiltshire, SN2 2EH.

#### b) Basis of Preparation

The company's financial statements have been prepared in compliance with FRS 102 and the Companies Act 2006 as they apply to the financial statements of English Heritage for the year ended 31 March 2023.

The company is exempt (under paragraph 1.12 of FRS 102) from disclosures regarding financial instruments due to the fact that it is a member of a group where the parent company prepares publicly available consolidated financial statements which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss and that it is included in that consolidation. Details of the parent entity are contained at note 14.

The financial statements are prepared in sterling which is the functional currency of English Heritage and rounded to the nearest thousand pounds. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### c) Preparation of the accounts on a going concern basis

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities and principal risks set out in the Strategic Report on pages 4 to 5. The directors have reviewed the latest financial forecasts and are satisfied that the Company continues to adopt the going concern basis in preparing its financial statements.

#### d) Stock

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

#### e) Turnover

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

Income is primarily comprised of income generated by the retail and catering operations at 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.

Licencing and sponsorship income are recognised over the life of the relevant agreement.

Income from hosting weddings, holiday cottage lets and hospitality events is recognised in the accounting period in which the event takes place.

## NOTES TO THE FINANCIAL STATEMENTS

### I Statement of Accounting Policies (continued)

#### f) Grant Income

This was a new income category on the face of the Statement of Comprehensive Income in 2020/21 and 2021/22 and comprises the various Government grants and schemes made available in response to the Covid-19 pandemic, from which the Company benefitted.

Retail, leisure and hospitality grant income is recognised in the accounting period when funds are received as drawdown requests are submitted in arrears and the income recognition criteria are only achieved when funds are remitted, confirming that the drawdown is approved.

Furlough grant income is accrued into the period in which the related staff costs are recognised in the parent company's accounts, with a proportion of the income transferred to the Company on the same basis that staff costs are recharged (see note 6).

There were no unfulfilled conditions or other contingencies attaching to the grants recognised (see note 3).

#### g) Segmental Reporting

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

#### h) Administrative Expenses

Administrative expenses include a management charge from The English Heritage Trust. This represents apportioned costs for services provided to English Heritage Trading Limited.

Such costs are calculated by including:

- i. costs incurred by The English Heritage Trust which are directly attributable to activities undertaken by English Heritage Trading Limited;
- ii. costs incurred by central retail and catering activities;
- iii. a pro-rate apportionment of other costs (including overheads and back office operations) based on income derived by English Heritage Trading Limited compared to total group income.

#### i) Gift Aid

English Heritage Trading Limited pays all its taxable profits for the reporting period to its parent company, The English Heritage Trust, under the Gift Aid scheme. The Gift Aid payment is recognised as a distribution to the parent in equity within retained earnings and cannot exceed distributable reserves. At the reporting date there was a legal obligation in place for English Heritage Trading Limited to make this Gift Aid payment.

#### j) Related Party Transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **I Statement of Accounting Policies (continued)**

#### **k) Financial Instruments**

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

#### **l) Significant Accounting Estimates and Judgements**

Key sources of estimation, uncertainty and judgements made in applying accounting policy exist in estimations of provisions for stock impairment.

#### **m) Taxation**

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS

### 2 Turnover

Turnover, analysed by category, was as follows:

	2022/23 £000	2021/22 £000
Income from sales of goods	19,815	13,395
Sponsorship income	21	50
Royalties and licencing income	52	31
	<b>19,888</b>	<b>13,476</b>

### 3 Grants

	2022/23 £000	2021/22 £000
Coronavirus Job Retention Scheme	-	18
Retail, Hospitality and Leisure Grant	-	2,579
	<b>-</b>	<b>2,597</b>

### 4 Operating Profit

Operating profit is stated after charging

	2022/23 £000	2021/22 £000
Audit fee	18	14

### 5 Directors' Remuneration

None of the directors received any remuneration during the year in respect of English Heritage Trading Limited (2021/22: £nil).

## NOTES TO THE FINANCIAL STATEMENTS

### 6 Staff Costs

The company did not directly employ any staff during the year (2021/22: nil). All staff engaged on company activities, either on a full-time or a shared basis, have contracts of employment with The English Heritage Trust. The costs relating to these employees are borne by the company and, therefore, require disclosure in these accounts. The figures shown below represent the salaries and other employment costs recharges from The English Heritage Trust. The details of the pension schemes into which The English Heritage Trust makes contributions can be found in their financial statements. Due to the nature of the pension schemes in operation, no pension deficits are included in their financial statements.

#### a) Employee Costs

	2022/23 £000	2021/22 £000
Staff directly engaged on company activities:		
Salaries and wages	3,157	2,408
Social security costs	172	130
Pension costs	219	199
	<hr/> 3,548	<hr/> 2,737
Costs of shared staff	1,460	1,298
<b>Total employee costs</b>	<hr/> <b>5,008</b>	<hr/> <b>4,035</b>

#### b) Employee Numbers

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

	2022/23	2021/22
Staff directly engaged on company activities	118	99
Shared staff	35	30
<b>Total employee numbers</b>	<hr/> <b>153</b>	<hr/> <b>129</b>

**7 Taxation**

The company has no Corporation Tax liability for the year ended 31 March 2023 (2021/22: nil). There are no factors which may affect future tax charges.

	<b>2022/23 £000</b>	<b>2021/22 £000</b>
Profit/(Loss) before taxation	<b>1,455</b>	<b>1,449</b>
Tax on profit at UK Corporation Tax rate (19%)	<b>276</b>	<b>268</b>
Effects of expected qualifying charitable donations	<b>(276)</b>	<b>(268)</b>
	<b>-</b>	<b>-</b>

**8 Stock**

	<b>2022/23 £000</b>	<b>2021/22 £000</b>
Stock	<b>6,201</b>	<b>5,542</b>
Works in progress	<b>10</b>	<b>25</b>
	<b>6,211</b>	<b>5,567</b>

The stock balance is stated after write offs in the year of £106,000 (2021/22: £97,000) and a reduction in provisions in the year of £185,000 (2021/22: increase of £166,000). These sums are included in the cost of sales on the Statement of Comprehensive Income.

The cost of goods sold during the year was £8.1 million (2021/22: £5.8 million).

**9 Debtors: Amounts Falling Due Within One Year**

	<b>2022/23 £000</b>	<b>2021/22 £000</b>
Amounts owed by group undertakings	<b>11,405</b>	<b>7,437</b>
Trade debtors	<b>12</b>	<b>47</b>
	<b>11,417</b>	<b>7,484</b>

Amounts owed by group undertakings represents sales taken by The English Heritage Trust on behalf of English Heritage Trading Limited

**10 Creditors: Amounts Falling Due Within One Year**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>
Accruals and deferred income	15	17
Amounts owed to group undertakings	16,317	13,002
	<b>16,332</b>	<b>13,019</b>

Amounts owed to group undertakings represents expenditure paid by The English Heritage Trust on behalf of English Heritage Trading Limited in addition to the Gift Aid payment (note 1i), as well as amounts owed to Historic England in relation to VAT payments made to HMRC.

**11 Called Up Share Capital**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
Authorised, issued, allotted, called up and fully paid:		
Ordinary shares of £1 each	<b>2,028,081</b>	<b>2,028,081</b>

**12 Related Parties**

The company has no related party transactions with any organisations other than those that are wholly owned within the reporting group.

**13 Contingent Liabilities**

No contingent liabilities were noted as at 31 March 2023 (2021/22: nil).

**14 Controlling Parties**

The immediate parent undertaking is The English Heritage Trust by virtue of their holding the entire share capital.

The ultimate parent undertaking and the largest group to consolidate these financial statements is the Historic Buildings and Monuments Commission for England (HBMCE), a body corporate established in England under the National Heritage Act 1983. The ultimate controlling party is HBMCE. Copies of the consolidated accounts are available to the public and may be obtained from Historic England, The Engine House, Fire Fly Avenue, Swindon, SN2 2EH or from [www.historicengland.org.uk](http://www.historicengland.org.uk).

**15 Events After the End of the Reporting Period**

There were no events to be declared in these accounts after the end of the reporting period.

These financial statements were approved by the Board of Directors on 21 June 2023.