

Charity Registration No. 1111049

Company Registration No. 05433717

HISTORIC HOUSES FOUNDATION

(Previously known as COUNTRY HOUSES FOUNDATION)

A company limited by guarantee

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2019



HISTORIC HOUSES FOUNDATION

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HISTORIC HOUSES FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Norman Hudson OBE (Chairman) Nicholas Barber CBE Richard Compton Sir Andrew Jardine Bt. Mary King Jeremy Musson Sir John Parsons KCVO Oliver Pearcey
Secretary	David Price
Charity number	1111049
Company number	05433717
Principal address	Sheephouse Farm Uley Road Dursley Gloucestershire GL11 5AD
Registered office	Sheephouse Farm Uley Road Dursley Gloucestershire GL11 5AD
Auditors	Little and Company 45 Park Road Gloucester GL1 1LP
Bankers	Barclays Bank plc 99 Hatton Garden London EC1N 8DN
Solicitors	Farrer & Co LLP 66 Lincoln's Inn Fields London WC2A 3LH
Investment advisors	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA

HISTORIC HOUSES FOUNDATION TRUSTEES' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Trustees, who are also directors of the Charity for the purposes of the Companies Act, present their report and accounts for the year ended 30 June 2019.

The accounts have been prepared in accordance with the accounting policies set out in the accounts and comply with the Charity's Memorandum and Articles of Association, the Charities Act 2011, the Companies Act 2006 and 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 (FRS102) (effective 1 January 2015).

The objects of Historic Houses Foundation are:

- a) to advance the preservation, for the public benefit, of buildings of sufficient historic or architectural significance or importance to merit preservation together with their gardens and grounds; and
- b) to protect and augment the amenities and furnishings of any such buildings, gardens and grounds.

Structure, governance and management

Historic Houses Foundation is a registered Charity (registration number 1111049) and is constituted as a company limited by guarantee (registration number 05433717). Its governing document is its Memorandum and Articles of Association dated 22 April 2005 (as amended by Special Resolutions dated 21 August 2005 and 20 February 2019), and its objects and powers are set out therein. Members of the company are admitted at the discretion of the Trustees and may be required to contribute not more than £10 in the event of the charitable company being wound up.

During the accounting period, the Charity employed one member of staff.

The Trustees, who are also the directors for the purpose of company law and who served during the year were:

Norman Hudson OBE (Chairman)
Nicholas Barber CBE
Richard Compton
Sir Andrew Jardine Bt.
Mary King
Jeremy Musson
Sir John Parsons KCVO
Oliver Pearcey

Trustees can be nominated to the Board as set out in the Articles of Association. The number of Trustees shall not be less than five, but (unless otherwise determined by Ordinary Resolution) shall not be subject to any maximum. The Board of Trustees seeks to ensure that representation on the Board is wide ranging. The Trustees bring a mix of skills to the Board, providing heritage, financial and corporate experience. Training and induction of new Trustees is undertaken on an informal and continual basis through discussions with existing Trustees, attendance at board meetings and site visits. The Trustees meet quarterly for board meetings and at least two of the Trustees carry out site visits prior to a grant being made and following completion of a project.

Except to the extent permitted by Clauses 5, 6, 7 and 8 of the Memorandum and Articles of Association, no member of the Board shall take or hold any interest in property belonging to the Charity or receive remuneration or have interests other than as a Trustee in any other contract to which the Charity is a party. The Trustees may be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties.

HISTORIC HOUSES FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2019

Risk management

The potential risks facing the Charity have been assessed by the board of Trustees. Two of particular importance have been identified. The first, the loss of the sole administrator at short notice, has been mitigated by the creation of a detailed procedures manual and other documentation: these procedures include the monitoring of IT security. The second is the risk that investments do not generate the expected returns. In this event the Trustees would reduce the amount of grants in subsequent years and/or draw on capital. In addition, a cash reserve is held by the investment managers in order to avoid the need to sell investments in the portfolio at short notice.

Public benefit

The Trustees have applied the guidance from The Charity Commission relating to public benefit when assessing grant applications. Public benefit is inherent in the objects of the Charity as set out above and, when considering a project's eligibility for support, Trustees require that public access arrangements would be closely aligned to those specified for recipients of an Historic England grant.

Achievements and performance

Since the Charity started making grants in February 2006, the number of applications for funding has steadily increased. At the end of the financial year the Charity has supported 222 projects with grant offers totalling £10.4 million.

	No. of projects approved in year	Total granted £	Average grant £	Paid at 30/6/19 £	Balance Due £
2006-07	4	605,000	151,250	605,000	-
2007-08	11	814,990	74,090	814,990	-
2008-09	12	841,263	70,105	841,263	-
2009-10	18	654,509	36,362	633,509	21,000
2010-11	17	1,008,003	59,294	938,003	70,000
2011-12	13	565,376	43,490	565,376	-
2012-13	21	983,515	46,834	978,640	4,875
2013-14	25	1,422,597	56,904	1,337,868	84,729
2014-15	17	804,445	47,320	657,745	146,700
2015-16	19	788,628	41,507	761,868	26,760
2016-17	21	548,337	26,111	302,229	246,108
2017-18	18	571,950	31,775	201,950	370,000
2018-19	26	797,701	30,681	103,900	693,801
Total	222	10,406,314		8,742,341	1,663,973

Grants awarded during the year

During the year Trustees considered 51 requests for support (50 in 2017/18) and were able to offer grants totalling £797,701 to 26 applicants (£571,950 to 18 applicants in 2017/18) supporting the following projects:

Restoration of the 18C stable block and clock tower at **West Horsley Place**.

Restoration of the 1874 Sudbury Gasworks, which supplied **Sudbury Hall** (National Trust) and part of the village.

Restoration of the walled garden gates and head gardener's bothy at **Picton Castle**.

**HISTORIC HOUSES FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2019**

Repair of the east pitch of the roof and north east chimney on **Kelly House**.

Repair of the **Burrswood House** kitchen garden wall.

Repair of chimneys at **Eyam Hall**.

Restoration and repair of windows at **Letton Hall**.

Repair of the West Staircase at **Seaton Delaval**.

Roof repairs at Farms for City Childrens' **Wick Court**.

Repair and conservation of the roof at **Kelmscott Manor**.

Repair and restoration of **Springfield House** in Hackney.

Emergency flood defence work at **Gwydir Castle**.

Repair and restoration of the South Tower and West Face of **Nether Winchendon House**.

Repair and restoration of the Great Hall rood at **Tickenham Court**.

Repair of the experimental hydraulic silo building at **Cragend Farm**.

Repair and restoration of the Chapel chancel windows and the Long Gallery bay window at **Haddon Hall**.

Repair and restoration of the orangery within the grounds of **Pitchford Hall**.

Repair of three stone seats within the grounds of **Westonbirt House**.

One student per annum on **The Prince's Foundation** Building Craft Programme for a further period of three years.

Emergency repairs to **Abercamlais Bridge**, an Elizabethan stone bridge crossing the Usk, badly damaged by recent floods.

Repair of the roof on the East Barn at **Markenfield Hall**.

Restoration of the Nesfield Stork Garden structures within the gardens at **Bodrhyddan Hall**.

Phase 2 repairs project at **Sulgrave Manor**.

Conservation work on six paintings at **Capesthorpe Hall**.

Heritage Alliance's **Heritage Funding Directory** for a period of five years.

HISTORIC HOUSES FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2019

Projects receiving public recognition during the year

During the year a number of Historic Houses Foundation funded projects were recipients of national awards in recognition of the quality of the restoration and conservation work undertaken.

2019

Newby Hall & Gardens in North Yorkshire winner of the 2019 Historic Houses Garden of the Year Award, sponsored by Christie's.

Llwyn Celyn, Aberavenny, RICS Building Conservation Winner.

2018

Turner's House at Sandycombe Lodge, Twickenham. Civic Voice Design Awards, Highly Commended Historic Buildings Category.

Turner's House at Sandycombe Lodge, Twickenham. Royal Institute of British Architects Awards, Winner, London and SW London.

Turner's House at Sandycombe Lodge, Twickenham. Time Out Love London Awards, Favourite Cultural Spot & Favourite Landmark in Richmond.

Projects under consideration

A number of short listed pre-applications were still under consideration at the end of the year, Trustees having visited the properties and met the applicants, but a final decision concerning funding had still to be made pending the consideration of Full Applications at the August or November meetings. These included support of:

Repair of the roofs over the West Wing and Edward Campion room at **Stonor Park**.

Restoration and re-roofing of the Conservatory adjoining the Music Room at **Hasfield Court**.

Re-roofing of **Glyn Cywarch's** Gatehouse and Butler's Pantry.

Re-leading of the roof of The Chapel of St.s Mary and Everilda within **Everingham Park**.

Repair of the entrance porch of **Boston Manor House**.

Financial review

The Articles of Association enable grants to be paid from capital as well as income and it is the current policy of the Trustees to pay grants and running costs of the Charity from the total return achieved on the Charity's investments over time. The Trustees have adopted an investment strategy which aims to achieve a balance between income and capital growth, taking account of potential risks and the level of investment manager's fees. The Trustees meet their investment managers regularly to review the investment policy, agree risk and return objectives and discuss asset allocation ranges.

HISTORIC HOUSES FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2019

Financial review (continued)

The result for the year was a net decrease in funds of £346,342 after taking account of £256,600 due from Heritage Conservation Trust on merger. (2018: decrease of £74,926). In 2018/19 the Charity's investments showed a decrease of £257,661 after drawdowns (2018: decrease of £29,034) and at the year end the investments were valued at £11.7m.

Investment summary:

	£
Market value of investments at 1 July 2018	12,085,061
Income	267,916
Drawdowns	(500,000)
Change in market value	<u>(150,577)</u>
Market Value of investments at 30 June 2019	<u><u>11,702,400</u></u>

At 31 December 2019 the market value of the total portfolio including cash was £11,913,717.

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to not less than six months' grants. This reserve is currently maintained at £500,000 and is held as a cash fund by the investment managers. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be realised. This level of reserves has been maintained throughout the period and the Trustees' investment strategy has taken account of the potential risks.

Merger with Heritage Conservation Trust (HCT)

The strategic review in 2018 by the Historic Houses Association (HHA) and The Heritage Conservation Trust (HCT), the charity administered by HHA, led to a preliminary meeting with the Country Houses Foundation (CHF) Trustees when consideration was given to the benefits of merging the HCT with CHF. It was subsequently agreed that the HCT would close and all of its assets would be donated to the CHF and that Historic Houses Association would assist the Charity and its aims through fundraising and raising awareness of the work of CHF.

As part of this 'merger' Trustees decided that a change of name for the CHF to the Historic Houses Foundation (HHF) would help with fundraising and reinforce the link with Historic Houses. The change of name was registered with the Charity Commissioners on 23 April 2019. In the relevant part of the agreement with HHA it was agreed that "Historic Houses wishes to provide funding and support for CHF once it has changed its name to the Historic Houses Foundation and will assist, inter alia, with fundraising and promotion of the Historic Houses Foundation".

The Historic Houses Foundation's objects and criteria for support remain unchanged to those of the Country Houses Foundation following the merger in 2019. At the same time, it was agreed that greater consideration would be given to applications seeking support for the restoration of works of art within historic houses in line with the past work supported by the HCT.

HCT was dissolved and removed from Charity Commission Register in September 2019 with an initial transfer of assets (£200,000) made to the Historic Houses Foundation in August 2019. A further £56,600 was received in February 2020 and therefore funds of £256,600 have been recognised in these accounts.

**HISTORIC HOUSES FOUNDATION
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 30 JUNE 2019**

Future plans and outlook

The Trustees are continuing to develop their fundraising strategy for the Charity to encourage legacies and donations with the intention of increasing the endowment fund to ensure that over the long-term support can continue to be provided to the growing number of applications received. In addition, the Trustees look to work in partnership with other funders in order to maximise the benefits of grants awarded and also to work closely with Historic Houses Association to raise the profile of the Charity.

The Trustees wish to acknowledge the generous donations from our supporters, including from Mr Richard Broyd OBE. These gifts make a valuable contribution to the work of the Charity and the conservation of our built heritage.

Trustees will continue to welcome applications for support of suitable projects in line with the charitable objectives of the Charity.

Auditors

A resolution proposing that Little and Company be reappointed as auditors of the Charity will be put to the members.

On behalf of the board of Trustees

Norman Hudson OBE

Chairman

27 February 2020

HISTORIC HOUSES FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of Historic Houses Foundation for the purpose of company law, are responsible for preparing the Trustees' Report and Accounts in accordance with applicable company law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare accounts for each financial year which will give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources including the income and expenditure of the charitable company for that year.

In preparing those 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 judgments and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for:

- keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company;
- ensuring that the financial statements comply with the Companies Act 2006;
- safeguarding the assets of the charitable company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HISTORIC HOUSES FOUNDATION

Opinion

We have audited the financial statements of the Historic Houses Foundation for the year ended 30 June 2019, which comprise the Statement of Financial Activities, Balance Sheet, Cash Flow Statement 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; 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
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

REPORT OF THE INDEPENDENT AUDITORS (continued) TO THE MEMBERS OF HISTORIC HOUSES FOUNDATION

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities on page 8 the Trustees' (who are also the directors of the Historic Houses Foundation for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our 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 an auditor's report that includes our 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the organisation's members as a body in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the organisation's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the organisation's members as a body, for our audit work, for this report or for the opinions that we have formed.

S T Dudfield
Senior Statutory Auditor
For and on behalf of
LITTLE AND COMPANY
Chartered Accountants and Statutory Auditors
Gloucester

4 March 2020

HISTORIC HOUSES FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
(including Summary Income and Expenditure Account)
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Unrestricted funds £	Designated funds £	Restricted funds £	Total 2019 £	Total 2018 £
Income						
Donations and legacies	3	38,629	-	-	38,629	25,000
Investment income	4	<u>268,664</u>	<u>-</u>	<u>-</u>	<u>268,664</u>	<u>220,701</u>
Total incoming resources		<u>307,293</u>	<u>-</u>	<u>-</u>	<u>307,293</u>	<u>245,701</u>
Expenditure						
Cost of raising funds						
Investment managers' fees		<u>34,067</u>	<u>-</u>	<u>-</u>	<u>34,067</u>	<u>40,794</u>
Expenditure on charitable activities						
Grants payable	6	-	683,354	-	683,354	516,276
Grant support and governance costs	7	<u>76,540</u>	<u>-</u>	<u>-</u>	<u>76,540</u>	<u>62,666</u>
Cost of grant making		<u>76,540</u>	<u>683,354</u>	<u>-</u>	<u>759,894</u>	<u>578,942</u>
Total expenditure		<u>110,607</u>	<u>683,354</u>	<u>-</u>	<u>793,961</u>	<u>619,736</u>
Net income/(expenditure) for the year		196,686	(683,354)	-	(486,668)	(374,035)
Transfer of funds from Heritage Conservation Trust	13	-	-	256,600	256,600	-
(Loss)/gain on investment assets	9	<u>(116,274)</u>	<u>-</u>	<u>-</u>	<u>(116,274)</u>	<u>299,109</u>
Net increase/(decrease) in funds for the year		80,412	(683,354)	256,600	(346,342)	(74,926)
Gross transfers between funds		<u>(785,175)</u>	<u>785,175</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movements in funds for the year		<u>(704,763)</u>	<u>101,821</u>	<u>256,600</u>	<u>(346,342)</u>	<u>(74,926)</u>
Reconciliation of funds						
Total funds brought forward at 1 July 2018		<u>10,770,108</u>	<u>1,562,152</u>	<u>-</u>	<u>12,332,260</u>	<u>12,407,186</u>
Total funds carried forward at 30 June 2019		<u><u>10,065,345</u></u>	<u><u>1,663,973</u></u>	<u><u>256,600</u></u>	<u><u>11,985,918</u></u>	<u><u>12,332,260</u></u>

HISTORIC HOUSES FOUNDATION
BALANCE SHEET
AT 30 JUNE 2019

		2019		2018	
	Note	£	£	£	£
Fixed assets					
Investments	9		11,702,400		12,085,061
Current assets					
Debtors	10	262,280		7,744	
Cash at bank		<u>116,168</u>		<u>302,296</u>	
		378,448		310,040	
Creditors: amounts falling due within one year	11	<u>(94,930)</u>		<u>(62,841)</u>	
Net current assets			<u>283,518</u>		<u>247,199</u>
Net assets			<u><u>11,985,918</u></u>		<u><u>12,332,260</u></u>
RESERVES AND FUNDS					
Unrestricted funds			10,065,345		10,770,108
Designated funds	12		1,663,973		1,562,152
Restricted funds	13		<u>256,600</u>		<u>-</u>
			<u><u>11,985,918</u></u>		<u><u>12,332,260</u></u>

The accounts have been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements on pages 11 to 21 were approved by the board on 27 February 2020 and signed on its behalf by

Norman Hudson OBE
Chairman

Sir John Parsons KCVO
Trustee

HISTORIC HOUSES FOUNDATION
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	£	£
Net cash used in operating activities (see note below)	<u>(721,179)</u>	<u>(410,084)</u>
Cash flows from investing activities:		
Dividends and interest	268,664	220,701
Disposal proceeds on sale of investments	3,726,831	6,076,960
Purchase of investments	(3,088,330)	(5,932,651)
(Increase)/decrease in uninvested cash held by investment managers	<u>(372,114)</u>	<u>183,834</u>
Net cash provided by investing activities	<u>535,051</u>	<u>548,844</u>
Change in cash and cash equivalents in the year	(186,128)	138,760
Cash and cash equivalents brought forward	<u>302,296</u>	<u>163,536</u>
Cash and cash equivalents carried forward	<u><u>116,168</u></u>	<u><u>302,296</u></u>

NOTE TO THE CASHFLOW

Reconciliation of net movement in funds to net cash flow from operating activities

	2019	2018
	£	£
Net movement in funds for the year	(346,342)	(74,926)
Deduct: Investment income shown in investing activities	(268,664)	(220,701)
Add: Loss (deduct gain) on investments	116,274	(299,109)
(Increase)/decrease in debtors	(254,536)	198,264
Increase/(decrease) in creditors	<u>32,089</u>	<u>(13,612)</u>
Net cash used in operating activities	<u><u>(721,179)</u></u>	<u><u>(410,084)</u></u>

HISTORIC HOUSES FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

1.1 Basis of preparation and going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (the Charities SORP (FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, 2019-20, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

1.2 Funds structure

Unrestricted funds are funds which are available for use at the discretion of the Trustees.

Designated funds comprise funds which have been set aside at the discretion of the Trustees for specific purposes. The purposes and uses of designated funds are set out in the note 12 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for a specific purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income recognition and debtors

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income, it is probable that it will be received, and the amount can be quantified with reasonable accuracy.

1.4 Resources expended and creditors

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the Charity in the deliverance of its activities and services for its beneficiaries. Grants awarded are accrued in the accounts when they have been approved for payment by the Trustees and have met the Charity's preconditions. Grants awarded where the recipients have yet to fulfil any preconditions are set aside as designated funds.

Grant support and governance costs represent the cost of administering the grant-giving process and examining grant requests. As a grant-making charity all support costs are considered to relate to the sole activity of grant-making. Governance costs include those costs associated with the governance of the Charity and are primarily associated with constitutional and statutory requirements.

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies (continued)

1.5 Pension scheme

The Charity operates a defined contribution pension scheme for one employee. Contributions are charged to the Statement of Financial Activities as they fall due.

1.6 Investments

Investments held as fixed assets are stated at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposal in the year.

1.7 Taxation

As a registered charity, the Charity is generally exempt from Corporation Tax in connection with its direct charitable purpose, but not from VAT. The cost of irrecoverable value added tax is included within the expense item to which it relates.

2 Related party transactions and trustee expenses and remuneration

The Trustees are considered to be the key management personnel and they received no remuneration for their services to the Charity for the year under review.

Travel expenses totalling £9,753 (2018 - £5,836) were reimbursed during the year to eight Trustees.

Where donations are made to other organisations where HHF Trustees are also Trustees, those individuals are required to declare an interest and do not vote on the grant giving decision. There were no grants of this nature or any other related party transactions during the year.

3 Donations and legacies

	2019	2018
	£	£
Donations and legacies receivable	<u>38,629</u>	<u>25,000</u>

4 Investment income

	2019	2018
	£	£
Income from investments	267,915	220,282
Bank interest receivable	<u>749</u>	<u>419</u>
	<u>268,664</u>	<u>220,701</u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

5 Expenditure

	Note	Staff costs £	Other costs £	Grant funding £	Total 2019 £	Total 2018 £
Grant funding	6	-	-	683,354	683,354	516,276
Grant support and governance costs	7	33,621	42,919	-	76,540	62,666
		<u>33,621</u>	<u>42,919</u>	<u>683,354</u>	<u>759,894</u>	<u>578,942</u>

6 Grants payable

	2019 £	2018 £
Grants relating to direct charitable expenditure comprise:		
Abberley Hall	-	8,500
Appleby Castle	7,875	15,000
Avington Park	-	7,757
Castle Drogo	-	10,000
Cheddleton Flint Mill	10,000	-
Coggeshall Abbey	-	15,000
Compton Verney	-	1,500
Cothay Manor	-	655
Cragend Farm	12,000	-
Doddington Hall	4,599	15,000
Dorfold Hall	-	21,000
Elton Hall	50,000	-
Everingham Hall	-	2,400
Eyam Hall	10,000	-
Gilbert White's House	-	30,000
Gunnersbury Park Mansion	30,000	22,500
Gwydir Castle	15,600	-
Halsway Manor	56,700	-
Hartlebury Castle	35,000	15,000
Hatton Grange	-	13,562
Hay Castle	60,000	-
Headstone Manor	-	16,000
Heritage Update 2012-16	-	2,000
Heritage Funding Directory	2,800	2,500
Heritage Update 2017-21	4,000	4,000
High Beeches Clock Tower	-	20,000
<i>Carried forward</i>	<u>298,574</u>	<u>222,374</u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

6 Grants payable (continued)

	2019	2018
	£	£
<i>Brought forward</i>	298,574	222,374
Hogarth's House	2,600	3,400
Holme Pierrepont	5,000	-
Ingestre Orangery	35,000	15,000
Kelly House	9,000	-
Kelmscott Manor	1,870	16,830
Knebworth House	25,000	-
Llanthony Secunda Priory	4,800	3,600
Llwyn Celyn	10,000	30,000
Markenfield Hall	15,000	-
Milton's Cottage	1,550	-
Nether Winchendon Bridge	-	18,000
Nether Winchendon House	15,000	-
Orleans House	49,000	-
Owlpen Manor	12,000	-
Petre Chapel	2,260	13,560
Picton Castle	4,500	-
Pitchford Hall	51,000	5,000
Pitzhanger	31,200	46,800
Prince's Foundation BCA	15,000	30,000
Riverhill House	-	5,000
Rivington Terraced Gardens	35,000	15,000
Sir Joseph Bradbury Trough	3,000	-
Staveley Hall	-	60,000
Stowe House (North Hall)	24,000	-
Tickenham Court	15,000	-
Trereife House	-	4,212
Wells Palace	-	12,500
West Dean Orangery	15,000	15,000
Winterbourne Barn	3,000	-
	<u>683,354</u>	<u>516,276</u>

In addition to the amount payable (shown above) and accrued, Trustees had authorised at 30 June 2019 grants of £1,663,973 (2018: £1,562,152), which will be payable on the recipients fulfilling certain conditions. This amount has been treated as a designated fund (see note 12).

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

7 Grant support and governance costs

	Grant support £	Govern- ance £	2019 £	2018 £
Staff costs (see note 8)	33,621	-	33,621	30,517
Rent	8,450	-	8,450	8,450
Rates	315	-	315	355
Light and heat	190	-	190	141
IT costs	3,448	-	3,448	2,806
Postage, stationery and telephone	1,607	-	1,607	580
Travelling and subsistence expenses	3,073	-	3,073	3,091
Insurance	2,197	-	2,197	2,121
Professional fees/company secretarial fees	-	386	386	370
Audit fees	-	5,082	5,082	4,416
Trustees' expenses	-	9,753	9,753	5,836
Fundraising advice	-	2,160	2,160	-
Portfolio review	-	-	-	3,600
Legal fees	-	6,060	6,060	-
Sundry expenses	-	168	168	383
Bank charges	-	30	30	-
	<u>52,901</u>	<u>23,639</u>	<u>76,540</u>	<u>62,666</u>

All support costs incurred by the Charity relate to grant-making activities.

8 Staff costs

	2019 £	2018 £
Employment costs:		
Wages and salaries	30,565	27,729
Pension costs	3,056	2,773
Social security costs	-	15
	<u>33,621</u>	<u>30,517</u>

The charity has one employee (2018: 1) whose annual emoluments did not exceed £60,000.

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

9 Fixed asset investments

	2019	2018
	£	£
Investments at market value	11,087,384	11,842,159
Cash held by investment managers	<u>615,016</u>	<u>242,902</u>
	<u><u>11,702,400</u></u>	<u><u>12,085,061</u></u>

Shares and securities	2019	2018
	£	£
Market value		
At 1 July 2018	11,842,159	11,687,359
Acquisitions	3,088,330	5,932,651
Disposals	(3,726,831)	(6,076,960)
(Losses)/gains on investment assets	<u>(116,274)</u>	<u>299,109</u>
At 30 June 2019	<u><u>11,087,384</u></u>	<u><u>11,842,159</u></u>
Historic cost		
At 30 June 2019	<u><u>10,549,876</u></u>	<u><u>11,076,186</u></u>
Unrealised gains to 30 June 2019	<u><u>537,508</u></u>	<u><u>765,973</u></u>

Investments at fair value comprised:

	Assets held in UK	Assets held outside UK	Total
	£	£	£
Equities	2,663,587	4,259,841	6,923,428
Bonds	564,204	211,822	776,026
Multi-assets funds	1,278,417	-	1,278,417
Alternatives	1,524,010	-	1,524,010
Liquid funds	585,503	-	585,503
Cash	<u>615,016</u>	<u>-</u>	<u>615,016</u>
Total	<u><u>7,230,737</u></u>	<u><u>4,471,663</u></u>	<u><u>11,702,400</u></u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

10 Debtors

	2019	2018
	£	£
Funds due from Heritage Conservation Trust	256,600	-
Prepayments and accrued income	<u>5,680</u>	<u>7,744</u>
	<u><u>262,280</u></u>	<u><u>7,744</u></u>

11 Creditors: amounts falling due within one year

	2019	2018
	£	£
Grants payable	69,100	45,000
Accruals	<u>25,830</u>	<u>17,841</u>
	<u><u>94,930</u></u>	<u><u>62,841</u></u>

12 Designated funds

	2019	2018
	£	£
Grant commitments at 1 July 2018	1,562,152	1,511,732
Grants approved	797,701	576,950
Grants withdrawn/adjusted	<u>(12,526)</u>	<u>(10,254)</u>
	2,347,327	2,078,428
Less Grants payable		
Paid in the year	659,254	512,491
Less: Grants payable accrual at 1 July 2018	(45,000)	(41,215)
Add: Grants payable accrual at 30 June 2019	<u>69,100</u>	<u>45,000</u>
	683,354	516,276
Grant commitments at 30 June 2019	<u><u>1,663,973</u></u>	<u><u>1,562,152</u></u>

HISTORIC HOUSES FOUNDATION
NOTES TO THE ACCOUNTS (continued)
FOR THE YEAR ENDED 30 JUNE 2019

13 Restricted funds/Transfer of funds from Heritage Conservation Trust

The Historic Houses Foundation and The Heritage Conservation Trust (HCT) entered into an agreement dated 14 May 2019 under which it was agreed that as the Charities have similar charitable purposes HCT will transfer all its assets to HHF. HHF would use those assets only for the purposes set out in the HCT Trust Deed which in addition to maintaining and conserving heritage property also extends to the promotion of education of the public on matters concerned with heritage property and arts and sciences generally.

A restricted fund has been established to hold the funds receivable on the transfer as required by the transfer document. The transfer of the cash had not happened by 30 June 2019 and therefore £256,600 is included in debtors.

In addition to the transfer of assets, there were also commitments to pay grants already approved by HCT totalling £35,194. These have been included in the restricted fund until conditions for payment have been fulfilled.

	2019	2018
	£	£
Funds from Heritage Conservation Trust		
Transfer of funds	256,600	-
Restricted fund balance at 30 June 2019	<u>256,600</u>	<u>-</u>

14 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 30 June 2019 are represented by:				
Investments	10,038,427	1,663,973	-	11,702,400
Net current assets	<u>26,918</u>	<u>-</u>	<u>256,600</u>	<u>283,518</u>
	<u>10,065,345</u>	<u>1,663,973</u>	<u>256,600</u>	<u>11,985,918</u>

15 Legal status of the charity

The Charity is a company limited by guarantee. The members of the Charity are the Trustees listed on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member. The Charity's controlling party is the board of Directors who are also the Trustees.

16 Other financial commitments

The Charity has a commitment of £8,450 under the terms of the lease of its offices at Sheephouse Farm.

The Charity has grant commitments as shown in notes 6,12 and 13.