

THE HERITAGE ALLIANCE

(previously known as Heritage Link)

(A company limited by guarantee and not having a share capital)

Charity No: 1094793

Company Registration No: 04577804

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 March 2011

THE HERITAGE ALLIANCE TRUSTEES' ANNUAL REPORT 2010-11

The Heritage Alliance Company Information

TRUSTEES

Loyd Grossman (Chairman)
Ian Lush (Deputy Chairman)
Charles Angus (Hon Treasurer)
Dr Mike Heyworth
Nick Way
Dr Ben Cowell
Catherine Croft
Dr David Souden
Crispin Truman
Denis Dunstone
Mary King
Ela Palmer (to 9 June 2010)

CHIEF EXECUTIVE OFFICER & COMPANY SECRETARY

Kate Pugh

COMPANY NUMBER

04577804 (England and Wales)

CHARITY NUMBER

1094793

PRINCIPAL ADDRESS AND REGISTERED OFFICE

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10 Storeys Gate
London SW1P 3AY

ACCOUNTANTS AND INDEPENDENT EXAMINERS

Kingston Smith LLP
Devonshire House
60 Goswell Street
London EC1M 7AD

BANKERS

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

SOLICITORS

Allen and Overy
1 New Change Lane
London EC4N 9QQ

Structure, Governance and Management

Heritage Link was incorporated on 30 October 2002 under the Companies Act 1985. The company is limited by guarantee and does not have any share capital. Every Member undertakes to contribute such an amount as may be required not exceeding £1 to the charity's assets if it should be wound up.

The governing document is the Memorandum and Articles of Association and the Trustees of the charity are the directors for the purposes of company law.

The name change from Heritage Link to The Heritage Alliance registered by Companies House on 19 February 2010 was confirmed by the Charity Commission on 1 April 2010.

The Heritage Alliance is a registered charity and company registered in England and Wales. It operates within guidelines approved by the Charity Commission, whereby the Trustees are the decision making body but they seek approval for major strategic decisions by members at the Annual General Meeting ("AGM"). Authority to conduct The Heritage Alliance's day-to-day activities is delegated to the Chief Executive, who is responsible for ensuring that the agreed strategy and policies are carried out. The Secretary of Heritage Alliance, Kate Pugh, was formally appointed as its first Chief Executive Officer on 10th December 2009.

Charities and organisations with a national or major regional remit within the heritage sector are entitled to subscribe as members of The Heritage Alliance, which is an umbrella body specifically set up to co-ordinate sector initiatives. Donations have been received from some member organisations during the year.

The Chairman is appointed by the Board. Trustees are elected by registered members of The Heritage Alliance at the AGM or co-opted during the year by the Trustees at a Board meeting subject to ratification by members at the next AGM. There were no Trustees reaching the end of their term of office in 2010/2011 and although Ela Palmer stood down during the year, the Trustees agreed to keep one place in reserve. When new Trustees are elected, they are offered an induction programme.

The Board met on 12 May, 8 July and 14 October 2010 and 20 January 2011. The Trustees annually review the organisation's Risk Register. Actions from the February 2010 review were successfully completed.

Objects and activities

The objects of the charity as set out in the Memorandum and Articles of Association are:

- a) For the benefit of the public:
 - i. To improve the efficient and effective fulfilment by heritage charities (as defined in the Articles of Association) of their objects; and
 - ii. To promote the efficient application of resources for charitable purposes by non-charitable institutions and organisations especially those established for purposes concerned with the protection, preservation, improvement, enhancement and/or revitalisation of the historic environment (as defined in the Articles of Association);

- b) The advancement of education of the public:
 - i. In relation to historical and/or architectural significance of buildings and/or sites; and
 - ii. By promoting and encouraging public access to, study and appreciation of, the historic environment.

The Trustees of The Heritage Alliance confirm that the purposes of the organisation are recognised as Charitable pursuant to the Charities Act 2006. The Trustees believe that there are clear and identifiable public benefits arising from the pursuit of The Heritage Alliance's aims and objectives, and that these benefits are freely available to the general public without restriction. The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

Within these objects, the following themes were set out in the Strategic Plan 2009-12: clear messaging, more powerful advocacy, sharing knowledge and experience, and optimising operational effectiveness.

Achievements and Performance

In 2010-11 The Heritage Alliance

- **took advantage of the political, economic and legislative developments of an extraordinary year to promote the value of heritage and the contribution of the non-government heritage bodies**
- **developed its role as a catalyst for collaborative working by supporting sectoral and cross-sectoral forums**
- **held an outstanding Heritage Day, attracting the highest turnout in the event's history to hear the Secretary of State for Culture Media and Sport**
- **professionalised the quality of communication channels, diversified the range of communications output and increased the overall level of media activity.**

CLEAR MESSAGING AND MORE POWERFUL ADVOCACY

1. Making the case

The General Election in May 2010 gave The Heritage Alliance and its members opportunities to make the case during the election campaign for the public benefits derived from our heritage, using the Heritage Alliance Manifesto *Making the Most of our Heritage* and then to make contact with the new Coalition Government. The Chairman welcomed and met new Ministers, while cross-party balance was maintained by meeting Lib Dem and Opposition Shadow spokesmen for heritage. Deepening the understanding of heritage in Westminster prompted approaches to new MPs with an interest in heritage.

The new Prime Minister acknowledged the contribution made by the Alliance and its members on 10 August: 'I would like to take this opportunity to thank the Heritage Alliance and its members for the crucial role they play in advocacy for our country's heritage and in co-ordinating a voice for the voluntary sector'.

The Alliance restated its values and messages through numerous channels such as a briefing for the Westminster Hall debate on the National Lottery and through written evidence to the CMS Select Committee Inquiry on funding for Arts and Heritage, which led to the Chairman being invited to give oral evidence to the Committee in November. The Localism Bill marked another significant opportunity towards the end of the year to reiterate the value of heritage.

In the longer term the Alliance continues to work with Industry and Parliament Trust in creating a series of MPs' placements provided by our members to gain first experience of how the heritage sector works. This year the ACEVO (Association of Chief Executive's of

Voluntary Organisations, of which the Alliance is a member) Special Interest Group on Arts and Heritage held meetings with Arts Minister Ed Vaizey to which the Alliance and its members have contributed and, through our Deputy Chairman's election to the Culture Forum (convened by Arts and Business and the National Campaign for the Arts), we ensured that heritage was represented in the national debate on the cultural economy and in its subsequent report to Ministers.

The Alliance has held meetings with the Mayor's Cultural Adviser, civil servants in DCMS, and with CLG's Chief Planner through the Joint Committee. The Alliance was also one of the signatories to the wider Cultural Manifesto launched on 26 April.

2. Advocacy resources

Our manifesto, launched in December 2009 remained a useful exposition of the Alliance's key messages to accompany ministerial and MP correspondence. The Places of Worship Manifesto was used similarly. This group also produced a leaflet for Heritage Minister John Penrose which was available online for local groups to download to use in their own lobbying activities around the Places of Worship Grant Scheme.

The Inclusion Advocacy Group launched its own Vision Statement in September to distribute to policy and opinion formers. The Spatial Planning Advocacy Group set out its concerns over the place of heritage in planning policy to Eric Pickles, Secretary of State for Communities and Local Government. The Rural Heritage Group is working on a joint Statement on CAP reform with our counterparts in the natural environment sector, Wildlife and Countryside Link.

These initiatives deliver the marked shift towards the stronger advocacy role set out in The Heritage Alliance's Strategic Plan 2009-12.

The second annual policy day, designed and managed by the Alliance's Inclusion Advocacy Group, took place at the Tower of London on 7 September and was attended by 50 participants from the non-government heritage sector. The day focused on the heritage offer in education and learning, skills development and volunteering.

3. Higher profile

In line with the stronger advocacy objective, The Heritage Alliance's public profile has increased this year through presentations and the media. Chairman, Deputy Chair, Trustees and Chief Executive act as ambassadors. The Alliance's new Chairman, Loyd Grossman, has generated high level coverage in the sectoral and national press and especially in reaching non traditional heritage audiences. More proactive media relations over heritage protection reform brought the Heritage Alliance to the notice of the planning and built environment press. The Alliance is now on Twitter with over 1700 followers.

Heritage Day, now a key event in the heritage calendar, took place on 8 December 2010 in the magnificent surroundings of the Banqueting House, Whitehall. The formal AGM was followed by a lunchtime reception and ministerial address by Secretary of State Jeremy Hunt attracted some 200 guests, the highest ever turnout and the most ambitious event yet staged by the Alliance.

In addition, the programme included for the first time the Heritage Alliance Heroes Award, presented by Loyd Grossman to Peter Vacher for his restoration of a Hurricane aeroplane. The runners-up were Friends of Bethesda Chapel and the Wey and Arun Canal Trust. The pilot scheme highlighted the vital contribution made by volunteers with a human-interest angle that is media friendly.

LEADING COLLABORATIVE WORKING IN THE HERITAGE SECTOR AND BEYOND

1. Building the alliance

The number of full members stood at 78 at the end of March 2010 and at 89 at the end of March 2011, an all-time high despite the resignation of two members for financial reasons. Members' own networks and membership figures make The Heritage Alliance the largest coalition of heritage interests in England, representing well over 5 million people.

Nicholas Thompson, an intern, carried out an analysis of our membership. Although most have multiple interests he found the primary focus of members as: 37% Historic Environment; 16% Places of Worship; 10% Transport; 9% Archaeology; 8% Rural environment; 4% Academic; Collections; Funding bodies; Training & Skills (each); 3% Parks and Gardens; and 1% Education.

To give individuals and organisations that fall outside the membership criteria the chance to support the Alliance, Trustees reviewed the membership criteria and introduced new categories. A new membership leaflet helped recruit affiliate members and an individual supporters scheme met with some success with the current number of affiliates standing at 6 and individual supporters at 22.

As a business model, The Heritage Alliance's experience of collaborative working is of interest to other countries such as Turkey and Syria and, closer to home, the Channel Island of Jersey, which are all looking for ways to consolidate and strengthen their voluntary heritage bodies. Alliance member, Greenspace, also asked for advice in setting up a coalition of national organisations active in the parks and green space sector which has now launched as Greenlink.

2. Consensus

The Heritage Alliance continues to promote collaborative working across the non-government heritage sector. One of its functions is to present the shared views and interests of members in formal consultations. During this period, it responded to the following government consultations:

1. EH: Strategic Priorities on the basis of the members seminar held on 26 March
2. EH: National Heritage Protection Plan, the Spatial Planning Advocacy Group
3. DCMS: DCMS Structural Reform Plan, a Board response
4. DCMS: Shares of National Lottery, a response supported by 47 members (in spite of the holiday period timing)
5. CLG: Planning for a low carbon future, the Spatial Planning Advocacy Group
6. CLG: Energy Performance Certificates and Data, the Spatial Planning Advocacy Group
7. CLG: Building regulations, the Spatial Planning Advocacy Group
8. DEFRA Natural Environment White Paper, the Rural Heritage Group
9. DCMS BIG Lottery policy Direction, the Funding Advocacy Group
10. CMS Select Committee Inquiry of funding for Arts & Heritage, the Chief Executive and Board
11. Dept of Education: Wolf Review on vocational education, Education Task Group.
12. DEFRA; The Natural Environment White Paper
13. DCMS: the proposed change in National Lottery allocations
14. CMS Select Committee Inquiry on funding for Arts & Heritage: Chairman Loyd Grossman gave oral evidence in November
15. Public Bill Committee: The Localism Bill
16. Public Bill Committee: Statement of Support for Amendment 149
17. Cabinet Office: The Giving Green Paper.

The Heritage Lottery Fund consultation on its Strategic Plan 2013-19 was of such importance to the non-government heritage community that a special Alliance members' workshop took place on 28 March to develop a response. POWAlliance also submitted a separate on-line response. The Chairman, Deputy Chair and Chief Executive were also involved in the HLF informal discussion groups. Members are encouraged through Heritage Update to participate in the HLF's own stakeholder workshops and in the online consultation.

A further range of consultations were listed in Heritage Update, the free fortnightly e-bulletin to engage the widest possible audience in opportunities to influence legislation and policy.

3. Joint working

The annual audit of the historic environment Heritage Counts is an opportunity for all in the sector to work collectively on new research and to review the year. The Alliance is deeply involved in Heritage Counts 2011, themed on heritage bodies' contribution to 'Big Society'. English Heritage commissioned the Alliance to undertake research on its members' contribution and explore measures to raise their level of activity. Professional research support from BOP Consulting and the extra capacity afforded by an intern (Alice Brackenbury) will enable the Alliance to explore the non- government heritage sector's capacity and aspiration in much greater depth than would have otherwise been possible.

A new initiative in this period is the successful joint bid to English Heritage by The Heritage Alliance with the National Trust and Civic Voice to host Heritage Open Days after 2011. All are active members of the HODs Steering Group and, with strong endorsement by Trustees of each organisation, aimed to develop a sustainable future for this outstanding annual celebration of our heritage. The three heritage bodies set up a consortium to bid for the tender. This move will root Heritage Open Days firmly in the voluntary sector where it belongs but in addition, it is a powerful illustration of how partnerships can bring together complementary skills and resources to offer a solution that none could have provided on their own.

The third and newest way the Alliance is strengthening collaborative working is by taking a greater role in the management of cross-sectoral forums. The Heritage Alliance is now the secretariat for the Historic Environment Forum, in addition to being a member of its executive arm (the Small Champions Group), the Heritage Counts research group and on its two sub-groups on Broadening Access and Climate Change. The new secretariat role gives the Forum a more independent status so, for example, in February 2011 The Heritage Alliance prepared the response to CLG on behalf of the Historic Environment Forum on the National Planning Policy Framework.

During this period, the Alliance has also taken up English Heritage's invitation to support similarly the new, independent National Heritage Protection Plan Advisory Board with an agreement being signed at the very end of the year.

Both these moves reflect a new balance in partnerships between government and non-government interests and the Alliance is pleased to support English Heritage in sharing responsibility for these high-level sectoral forums.

4. Strategic Liaison

The Alliance is an observer on sector-specific groupings such as The Archaeology Forum and the Joint Committee of National Amenity Societies. Other current forums are English Heritage's NHPP Stakeholder Group and the Radcliffe Trust (heritage & crafts). The Alliance strongly supports English Heritage's initiative the Alliance to Reduce Crime against Heritage (ARCH).

The Heritage Alliance connects and represents membership interests across a range of issues. The Inclusion Advocacy Group chairmen are on the Engaging Places and Learning outside the Classroom Boards as well as a number of other forums while the Rural Advocacy Group Chairman connects the Alliance with European heritage networks. The Alliance is also represented on the UK Heritage Research Group (UKHRG), Cut the VAT Coalition, the DEFRA Rural Development Programme for England (RDPE) Monitoring Committee, the DCMS-convened grouping on Gift Aid, the National Planning Forum and Civic Voice's civic panel.

In non-heritage forums, the Alliance takes an active part such as the Association of Chief Executives of Voluntary Organisations where the Special Interest Group on Arts and Heritage (Deputy Chair - Ian Lush) briefed Culture Minister Ed Vaizey on the role of arts and heritage in the Big Society. It is also a member of the National Council for Community Organisations (ncvo) and Volunteering England.

A number of enquiries from bodies such as DCMS, the Arts & Humanities Research Council and the British Academy for joint working illustrate the growing recognition of the significance of the non-government heritage bodies in policy making. A second group of enquiries from organisations such as the Reading Agency, the Radcliffe Trust and the Rothschild Foundation look to the Alliance for its reach and knowledge of heritage bodies to inform their work. In this way, the Alliance acts as a conduit for gathering evidence and opinion.

5. Major projects

Current projects afford another means of creating links beyond the membership and extending capacity on key issues.

Discovering Places

Discovering Places, the Cultural Olympiad project, led by The Heritage Alliance with partners CABI and Natural England was formally launched at the House of Commons on 21 July by Chairman Loyd Grossman and Olympian and world record triple jumper Jonathan Edwards. London 2012 Open Weekend followed on 23-25 July which mainstreamed heritage events into the Cultural Olympiad media and PR campaign with accompanying marketing materials and support. Nearly 120 Discovering Places events took place across England.

Changes in the funding of the Cultural Olympiad through LOCOG (the London Organising Committee for the Olympic and Paralympic Games) reduced the amount that Discovering Places will receive by approximately 37% from the original £1.079million. Due to this reduction, changes in the staffing structure meant that one member of staff was made redundant. Claire Horan, Project Manager, continues full-time with Ian Lush as part-time Project Director assisted by a project volunteer.

The formal Memorandum of Understanding between Discovering Places and LOCOG was signed in February. Ensuring due regard for ring-fencing the risks associated with the project, a trading company, The Heritage Alliance Ltd, has been set up to handle the finances. The Trading Company has three Directors: Ian Lush, as Project Director of Discovering Places and Deputy Chair of THA, Mehjabeen Price, Finance Director of South West Screen and a member of the Discovering Places Board, and Nick Way representing THA Trustees.

Financial revision of the whole Cultural Olympiad has meant a more limited programme but the four confirmed strands of Discovering Places illustrate the potential for heritage to combine with other bodies in this national - and global - cultural celebration in 2012: Walk the World, delivered in partnership with Royal Geographical Society (with IBG) - mapping out the physical manifestations and the stories behind them of the 205 Olympic Nations; Meet the Species, delivered in partnership with Bristol Natural History Consortium - working with international and national environmental agencies to identify species where data is lacking

and then to create a list of 2012 critical species in the UK; Discover Explore, aimed at engaging and inspiring young people, in partnership with the Geography Collective and numerous small and medium scale historic and natural environment organisations. Still in development is a project aimed at telling the story of the impact of regeneration and the contemporary built environment.

Heritage Protection Reform (HPR)

We were pleased that year-long HPR Coordinator post commissioned by English Heritage was extended from September 2010 until March 2011 so that Karen Bewick could continue to develop partnerships to deliver the objectives of heritage protection reform. Her post ensured close liaison with English Heritage, the Joint Committee of National Amenity Societies and the Southport Group. A joint seminar with the British Property Federation on 27 May on PPS5 attended by over 100 professionals from the development and heritage sector proved popular leading to Chief Executive Liz Peace later addressing at the Spatial Planning Advocacy Group's meeting.

Karen Bewick, our HPR Co-ordinator, left for a full time job in early December. We were sorry to lose her combined PR expertise and historic environment background but, thanks to English Heritage, were able to use the remaining budget for that post to fund additional capacity over the Localism Bill. Two consultants were appointed from the membership, Henry Russell (representing RICS Conservation Forum) and Sarah McCarthy (Hon Sec of London CBA) to ensure both that members' concerns are raised during the Bill's parliamentary progress and also that members and others were fully briefed over the implications of the Localism Bill for heritage protection. They will also co-ordinate a membership response over the National Planning Policy Framework consultation.

Places of worship@theheritagealliance group

POWAlliance is unique in bringing together those who care for historic places of worship, across faiths and denominations, strengthening their voice on key issues. Its main achievement this year has been with the Church of England and English Heritage to retain the Listed Places of Worship Grant Scheme beyond its planned expiry date of March 2011, albeit with a slightly reduced scope. POWAlliance's key role was to demonstrate effectively the strength and breadth of support for the scheme. Its Annual Meeting this year showed a new sense of cohesion and strategic thinking which is reinforced by the quarterly e-newsletter, POW WOW, produced by the group and circulated widely.

POWAlliance also supports the All Party Parliamentary Group on Historic Churches: two meetings were organised over the winter with John Penrose, Minister for Tourism & Heritage, as the keynote speaker in December.

We have been grateful to the National Churches Trust for fully funding this project for years 1 & 2 and partially for year 3. Fundraising is now in hand to secure its future beyond April 2011.

The Project is led by Alliance Trustee Crispin Truman, Chief Executive of the Churches Conservation Trust. We were sorry to lose our Development Officer Deborah Jarman when she relocated to Herefordshire but the Steering Group successfully advertised for a volunteer to fill the gap between March and further funding being secured.

SHARING KNOWLEDGE AND EXPERIENCE

ADVOCACY GROUPS

The membership forums on Spatial Planning, Funding and Social Inclusion, for which the Policy & Communications Officer provides the secretariat, remain the means by which members' knowledge and experience is brought into policy formation.

In line with the new focus of the Strategic Plan 2009-12, the working groups evolved from discussion forums, still bringing together the expertise of members together on shared concerns but with more emphasis on advocacy. Work plans detailing their annual programmes were circulated to members in February 2011.

1. Spatial Planning Advocacy Group

The Spatial Planning Advocacy Group, chaired by Mike Heyworth (CBA), worked closely with Karen Bewick as HPR Co-ordinator until December 2010. Through Karen the group commented on a range of relevant consultations, heard from outside speakers and held joint meetings with the Joint Committee of National Amenity Societies.

The Group originally drafted a vision statement to outline how the historic environment contributes to Government priorities but as more specific government priorities emerged, the proposed statement evolved into a joint letter to Secretary of State Eric Pickles from Chair of the SPAG Mike Heyworth and Chair of the Joint Committee John Sell on planning policy developments.

As a result of the January 2011 meeting examining the Localism Bill, the Alliance submitted a response to the Public Bill Committee on the Localism Bill, and has since submitted a statement on Amendment 149 supported by 19 Alliance members. Activity around heritage protection has been maintained by focussing the remaining funding from English Heritage on the Localism Bill and National Planning Policy Framework.

2. Funding Advocacy Group

The Funding Advocacy Group, chaired by John Sell, aims to facilitate access to heritage funding and to keep an overview of risks to funding. It is responsible for the free online Heritage Funding Directory, which is regularly updated. A 'hits analysis' comparison revealed an average of 713 separate clients per month – up on last year's average of 634. The successful application to the Country Houses Foundation for £2000/year for three years secures future funding 2011-14 for this popular resource.

This group's annual product, the Fundraising Skills Seminar, took place successfully at the National Railway Museum on 12 October in partnership with the Yorkshire and Humberside region of the Heritage Lottery Fund. It was attended by over 90 delegates.

As the third strand, the group is also discussing plans for a possible Funders' Forum in 2011, as a means of developing a stronger network for independent trusts and foundations.

3. Inclusion Advocacy Group

The Inclusion Advocacy Group, co-chaired by David Souden (HRP) and Don Henson (CBA) launched its Vision Statement *Making A Difference* (its annual product) at its summer policy event which was held on 7 September at the Tower of London.

The Making A Difference Project has now been completed. Project Officer Rachael Kiddey revisited the organisations that were featured in the 2006 Embracing Difference report and investigated how their diversity projects had since developed. Her reports added to The Alliance's diversity website along with a series of 'vox pop' style interviews. In addition the Diversity website has been refreshed with a range of news items, useful resources and links to other websites.

Under this Group the virtual Education Task Group, led by Don Henson, continued to function as a specialist discussion forum for members. The group discussed the Coalition Government's plans to review the curriculum and how best the sector may contribute to the debate.

Although not directly managed by the Group, the Opening All the Gates project to encourage access and new audiences for historic gardens involved three members and to ensure the legacy of that project continues, the Group agreed that the OatG website would add to Diversity resources on the Alliance's own website.

The Policy & Communications Officer also developed a special section of the website for the Inclusion Group's materials – the Inclusion Hub, which went live in March 2011.

4. Rural Heritage Advocacy Group

The Rural Heritage Task Group became the Rural Advocacy Group in the 2010 work plan and is chaired by John Sell (Joint Committee of National Amenity Societies) and Jonathan Thompson (CLA).

It focuses primarily on CAP reform post 2013 working on a joint statement by the Alliance and Wildlife & Countryside Link for EU and local lobbying purposes. Co-Chair of the RAG John Sell also keeps the group updated on meetings with Brussels officials and European networks with similar objectives.

Alliance Chair Loyd Grossman, at the request of this group brought the benefits of the Traditional Farm Buildings grant (under the Environmental Stewardship Scheme) to the attention of Minister Richard Benyon supported by a series of case studies gathered through the membership.

Dr Judith Rosten from CPRE is now helping the Policy & Communications Officer support this group which gives it additional executive capacity.

COMMUNICATIONS

1. E Bulletins

Twenty three issues (183-205) of *Heritage Update* appeared during this period reaching an estimated readership of over 13000 in the UK and beyond. The free fortnightly ebulletin remains The Heritage Alliance's most public product and the most effective way of sharing knowledge and experience through the sector through a comprehensive, timely digest of relevant news and views. It has been described as "the bible" during the year and readers frequently email in with positive comments. *Heritage Update* is also valued by English Heritage for its ability to inform the sector quickly.

A rough analysis of the direct mailing list indicates its appeal: 28% from public bodies (Government Departments, English Heritage, and Heritage Lottery Fund); 26% voluntary organisations; 22% individuals; 17% commercial; 6% academic; and 1% from overseas.

The placesofworship@theheritagealliance e-bulletin, *powwow*, ran to three issues during this period keeping members and others informed of developments relating to historic places of worship. Circulation is growing fast with a wider readership through onward forwarding.

2. Website development

The Alliance website has been significantly upgraded and rebranded to become more visual, user-friendly and aesthetically pleasing whilst building on the content. An expanded library of images illustrate the work of members. The 'support us' and 'become a member' pages are more prominent on the home page; a new RSS feed and Twitter link create more immediacy; and a fully up-to-date archive of all consultation responses is now available

The dedicated webpage promoting The Heritage Alliance manifesto, putting key statistics in the public domain with links to members' own manifestos and others of relevance proved a popular resource during the General Election period. A review of the main party manifestos

statements on culture, heritage, regeneration and volunteering was made available. Similarly the key decisions in the CSR affecting heritage were quickly posted and disseminated widely through the immediate issue of *Heritage Update*.

The diversity webpages, created for the 2006-10 projects Embracing Difference and Making a Difference were further developed using the final element of English Heritage funding to update it with the continuing stories of the projects featured in the Embracing Difference report. Coverage was further enhanced with the addition of new items, think pieces, interviews, events and news creating an attractive online resource. The Inclusion Hub went live in March 2011.

Altogether it is a far more compelling and better maintained resource for all.

3. Press and media

Heritage Update is effectively the Alliance's fortnightly press briefing, going directly to journalists across the sector, press and editors of members' and stakeholders' newsletters. The Alliance also issues press releases around specific hooks such as Heritage Day, the Heritage Hero Award and CAP reform. The Chairman regularly contributes to key media.

The Alliance's Twitter channel (1700 followers and growing regularly – including members, key stakeholders, ministers, and departments) is used extensively to drive traffic to news stories on the Alliance's website, and vice versa through *Heritage Update*, meaning the Alliance's communications strategy towards more integrated comms work is underway.

OPTIMISE ORGANISATIONAL EFFECTIVENESS

1. The Board

Four new Trustees joined the Board at the AGM 2009 bringing it to the maximum of 12. When Ela Palmer stepped down during the year, the Board agreed to keep one place in hand rather than recruit a replacement. Further nominations will be invited in 2011/12.

2. Strategic Plan 2009-12

The three year Strategic Plan provides the framework for the Alliance's continuing development and for the Advocacy Groups' annual work programmes. Each of the Advocacy Groups completed their 2010 programmes and drew up their schedules for the following year. The overall Operations Plan setting out corporate priorities and showing how activities over the year all support the strategic objectives was circulated to members for comment in early February with the annual invitation to all to support the Advocacy Groups.

3. Human Resources

The secretariat remained unchanged with two full-time staff: Kate Pugh as Chief Executive and Emma Robinson as Policy & Communications Officer, and one part-time Office Manager, Toks Ferguson, in total 2.4 FTE. At the end of the financial year, there were one full-time and one part-time project officers (Discovering Places and POWAlliance). The Parliamentary Liaison team comprises two part-time consultants working on the Localism Bill. Under another project, consultant Jeremy Eckstein maintains the Heritage Funding Directory.

This year four 'events assistants' volunteered to support the secretariat over Heritage Day. Short-term intern Nicholas Thompson and longer-term Heritage Counts intern Alice Brackenbury have made a considerable difference to our research for Heritage Counts 2011.

4. Premises

The secretariat continues in 10 Storey's Gate, Westminster under a subletting arrangement with Alliance member The Pilgrim Trust. We are very grateful to the Pilgrim Trust for their support.

5. Financial Support

This year was the second year of the 3rd three-year funding arrangement with English Heritage 2009-12 under the National Capacity Building Programme to support core costs of running the secretariat. We are grateful for their continuing confidence and support but at the same time it is the Trustees' wish to develop sources of independent income. The new tiered subscription rate introduced in January 2009, a rising membership and good retention record has helped address this. Income derived from project management continues to rise. The English Heritage grant now represents 67% of core costs income (of £107,000) compared with 75% (of £60,000) in 2005.

All projects are expected to be self-sufficient financially and their funding is placed in the charity's restricted funds. Through the National Capacity Building Programme, English Heritage also supported the 3rd and final phase of the diversity programme, Making a Difference, and the Discovering Places (Cultural Olympiad) initiative. Both these grants have now come to an end.

English Heritage also commissioned the Heritage Protection Co-ordinator post which ran from September 2009 – September 2010 and extended to March 2011. Initially this focussed on promoting heritage protection reform in the absence of a Heritage Bill but with staff changes and the high priority given by Government to the Localism Bill it was agreed with English Heritage to refocus the post on briefing the sector and parliamentarians on heritage issues during the passage of that Bill and around the National Planning Policy Framework. Two part time consultants were appointed in February 2011.

The Trustees of the National Churches Trust generously supported the continuation of the Places of Worship Group into the first 6 months of the third year, from October 2010 to March 2011. Further fundraising has been put in hand and meanwhile it is proposed to continue the project with volunteer assistance.

The Heritage Lottery Fund and Leche Trust had supported the maintenance and development of the Heritage Funding Directory in its early years. Further funding 2011-14 has been secured by the Country Houses Foundation to continue this development work.

We very much welcomed a second year of support by Ecclesiastical Insurance Group in sponsoring Heritage Day with a donation of £5000. The Heritage Alliance also gratefully acknowledges a generous donation of £3250 from the National Trust. In kind support has also received from members: the Council for British Archaeology kindly continued to host the website and the distribution of *Heritage Update*.

Financial Review

The Statement of Financial Activities on page 16 shows that gross income raised was £419,279 and expenditure on charitable activities was £309,705. Governance costs for the year were £3,660. The net income for the year of £105,914 was transferred to reserves.

Reserves Policy

Free reserves comprise the total reserves available to the charity less those whose uses are restricted to specific purposes.

Trustees had agreed the previous year that the charity's reserves should cover six months, sufficient to enable the Heritage Alliance to meet its charitable and operational commitments in the event of a significant shortfall in income or the occurrence of significant operational risk.

At the balance sheet date, the free reserves of the charity totalled £63,330 that is 54% of the estimated core expenditure 2011-12.

Investments

Cash balances in excess of current operating requirements mainly represent the holding of free reserves, and are therefore invested solely within the Charities Aid Foundation Gold deposit account to ensure their availability at short notice and to minimise any risk of depletion of capital value.

Future Plans

The Trustees will continue to develop The Heritage Alliance in line with the strategic priorities 2009-12, keeping in mind anticipated changes in public funding. The Board is also concerned to reduce the percentage of core costs dependent on English Heritage funding.

The Trustees will develop the advocacy role of The Heritage Alliance, on behalf of its members as a key voice for the public benefit of our heritage and on wider cultural, social and economic issues.

In 2011-12 The Heritage Alliance will:

- Brief opinion formers in government and outside on the value of heritage and the contribution of the non-government heritage bodies in achieving the social and economic benefits
- Lead non-government opinion on the heritage issues arising from the Localism Bill and National Planning Policy Framework
- Lead collaborative working by supporting and developing cross-sectoral forums to maximise their impact and effectiveness.
- Hold two major policy events
- Develop the next Strategic Plan 2012-15 in consultation with Alliance members
- Develop and secure the range of revenue streams contributing to core costs.
- Manage projects and staff/interns to maximise capacity on key issues.

In addition to these specific targets The Heritage Alliance will continue to

- respond to consultations for and on behalf of the voluntary heritage organisations
- raise shared concerns on issues affecting the heritage sector in Westminster and Whitehall
- represent the voluntary heritage sector in sectoral and wider forums
- bring the experience and expertise of members into sectoral projects, research and initiatives such as Heritage Counts
- support the members discussion forums - Advocacy Groups - and their work programmes
- maintain and develop *Heritage Update* as the key means of sharing information and best practice throughout the sector and also through the website.
- lead and develop cross-sector partnerships such as Discovering Places and the POWAlliance forum.

The Heritage Alliance Report of the Trustees for the year ended 31 March 2011 (continued)

Statement of Trustees' responsibilities

The trustees (who are also directors of The Heritage Alliance for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

Company law required trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice 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 charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Preparation of the Financial Statements

Accounting and Reporting by Charities (SORP 2005) issued in April 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008) and the special provisions of Part 15 of the Companies Act 2006 applicable to small companies.

Approved by the Trustees on:

.....
L Grossman - Chairman

The Heritage Alliance

Independent Examiner's Report to the Trustees on the Unaudited accounts of The Heritage Alliance

I report on the accounts of the Heritage Alliance for the year ended 31 March 2011, which are set out on pages 16 to 21.

Respective Responsibilities of Trustees and Examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 43 of the 1993 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and
- to state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In accordance with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities
- have not been met; or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Devonshire House
60 Goswell Road
London EC1M 7AD

J T L Cross FCA DChA
For and on behalf of Kingston Smith LLP
Chartered Accountants

Date:

The Heritage Alliance
Statement of Financial Activities
(Including Income and Expenditure Account)
For the year ended 31 March 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total funds 2011 £	Total funds 2010 £
Incoming Resources from generated funds					
Voluntary income:					
Donations		3,250	-	3,250	3,250
Grants		70,000	312,203	382,203	70,000
Interest received		144	-	144	204
Income from charitable activities		-	-	-	-
Members' Subscriptions	1	19,312	-	19,312	18,191
Affiliate membership		2,933	-	2,933	2,817
Project grants and donations		-	-	-	80,800
Income from Update bulletin		2,406	-	2,406	2,290
Sponsorship		5,181	-	5,181	1,000
Income from events		3,850	-	3,850	2,745
Total Incoming Resources		<u>107,076</u>	<u>312,203</u>	<u>419,279</u>	<u>181,297</u>
Resources Expended					
Charitable activities	2	102,324	207,381	309,705	179,108
Governance costs	5	3,660	-	3,660	3,793
Total Resources Expended		<u>105,984</u>	<u>207,381</u>	<u>313,365</u>	<u>182,901</u>
Net Income/(Expenditure) for the year before transfers		<u>1,092</u>	<u>104,822</u>	<u>105,914</u>	<u>(1,604)</u>
Transfers	9	<u>(31)</u>	<u>31</u>	<u>-</u>	<u>-</u>
Net Income/(Expenditure) for the year after transfers		<u>1,061</u>	<u>104,853</u>	<u>105,914</u>	<u>(1,604)</u>
Balance Brought Forward at 1st April 2010		<u>62,269</u>	<u>25,495</u>	<u>87,764</u>	<u>89,368</u>
Balance Carried Forward at 31st March 2011		<u><u>63,330</u></u>	<u><u>130,348</u></u>	<u><u>193,678</u></u>	<u><u>87,764</u></u>

The Heritage Alliance

Balance Sheet at 31 March 2011

	Note	2011 £	2010 £
Current Assets			
Debtors	6	18,825	3,908
Cash at bank and in hand		<u>198,322</u>	<u>106,470</u>
		217,147	110,378
Creditors: Amounts falling due within one year	7	<u>23,469</u>	<u>22,614</u>
Net Current Assets		<u>193,678</u>	<u>87,764</u>
Total Assets less Current Liabilities		<u><u>193,678</u></u>	<u><u>87,764</u></u>
Unrestricted General Fund	8	63,330	62,269
Restricted Funds	9	<u>130,348</u>	<u>25,495</u>
Total Funds		<u><u>193,678</u></u>	<u><u>87,764</u></u>

In preparing these financial statements:

- (a) The trustees are of the opinion that the company is entitled to the exemption from audit conferred by Section 477 of the Companies Act 2006;
- (b) No notice has been deposited under Section 476 of the Companies Act 2006, and
- (c) The trustees acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of Section 394 and 395, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on:

..... Chairman
L. Grossman

Company Registration No.: 04577804

The Heritage Alliance

Notes to the Financial Statements

For the year ended 31 March 2011

1 Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in April 2005, the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006.

Investment in Subsidiary Undertaking

The charity has established a wholly owned subsidiary, Heritage Alliance Trading Limited, with an issued share capital of £1. This company has not traded during the year under review and therefore consolidated accounts have not been prepared. These financial statements present information about the charity only.

Subscriptions

From January 2009, tiered subscription rates were introduced, linked to members' turnover. Subscriptions are now accounted for on a receivable basis so that three quarters of the income received from these subscriptions has therefore been deferred until the 2011/12 financial year.

Other incoming resources

Bank interest is accounted for on a receivable basis, as are government grants. Donations are recognised on a received basis.

Fixed Assets

The charity applies a capitalisation threshold of £1,000. Items of a lesser value are taken directly to the Statement of Financial Activities in the year in which the items are acquired.

Expenditure

All expenditure directly relating to the objectives of the charity is included in Charitable Activities. Support costs represent expenditure incurred in the management of the charity's activities. Expenditure which cannot be allocated directly is apportioned on the basis of staff time.

Pension costs

The Charity contributes to the personal pension arrangements for certain employees. Any cost of providing pensions for employees is charged to the Statement of Financial Activities in the year in which the contributions are paid.

Governance costs

Governance costs relate to the direct costs associated with the constitutional and statutory requirements of the Alliance and include the costs of the independent examination and other constitutional related costs.

Funds

Unrestricted funds comprise the general funds of the charity. General funds are available for use at the Trustees' discretion in furtherance of the general objectives of the Charity and have not been designated for other purposes.

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

2 Charitable Activities

	2011	2010
	£	£
Salaries and national insurance	37,926	39,983
Support costs (note 3)	64,398	56,181
Projects (restricted)	207,381	82,944
	309,705	179,108

The Heritage Alliance
Notes to the Financial Statements
For the year ended 31 March 2011 (Continued)

3 Support costs	2011	2010
	£	£
Salaries and national insurance	35,528	26,656
Rent, rates and services	6,070	5,760
Printing, postage and stationery	3,168	4,465
Telephone	368	1,259
Travel and subsistence	583	1,921
Insurance	1,080	2,958
Subscriptions to external bodies	-	836
AGM, national and regional Events	11,024	7,386
Advertising	-	1,410
Staff training	293	-
Computer expenses	5,140	2,512
Bank charges	3	12
Sundry expenses	1,141	1,006
	<u>64,398</u>	<u>56,181</u>

4 Employees	2011	2010
	No.	No.
The average monthly number of persons (excluding directors) employed by the company during the year was:		
Administration and support and project work	<u>7.0</u>	<u>5.0</u>
	£	£
Staff costs for the above persons:		
Salaries	150,878	94,263
Social security costs	13,067	7,769
Pension costs	8,394	4,480
Payroll services	-	2,695
	<u>172,339</u>	<u>109,207</u>

No remuneration was paid to any trustee in respect of services provided during the current or previous period. One trustee was reimbursed a total of £42 in respect of travel expenses (2010: Two trustees reimbursed £404).

5 Governance costs	2011	2010
	£	£
Accountancy and independent examination	2,800	2,800
Legal & professional fees	860	993
	<u>3,660</u>	<u>3,793</u>

The Heritage Alliance
Notes to the Financial Statements
For the year ended 31 March 2011 (Continued)

6 Debtors	2011	2010
	£	£
Trade debtors	-	444
Subscriptions due (received post year end)	2,300	2,425
Grants receivable	15,944	-
Other debtors	581	1,039
	<u>18,825</u>	<u>3,908</u>

7 Creditors	2011	2010
	£	£
Deferred income	15,563	14,558
Tax and social security	2,981	2,824
Other creditors	4,925	5,232
	<u>23,469</u>	<u>22,614</u>

All of the 2010 deferred income total was released in 2011, thus the entire balance for 2011 relates to income deferred this year.

8 Unrestricted Funds	Balance at	Movement	Balance at
	1st April 2010	in year	31st March 2011
	£	£	£
	<u>62,269</u>	<u>1,061</u>	<u>63,330</u>

The Heritage Alliance
Notes to the Financial Statements
For the year ended 31 March 2011 (Continued)

9 Restricted Funds	Balance at 1st April 2010	Income	Expenditure	Transfers	Balance at 31st March 2011
	£	£	£	£	£
Heritage Link projects					
1. Heritage Funding					
Directory Project	1,544	-	(1,242)	-	302
2. Making a Difference	3,402	1,454	(4,855)	-	1
3. Discovering Places	5,166	272,414	(168,124)	-	109,456
4. Places of Worship	9,235	5,535	(14,801)	31	-
5. Heritage Counts	-	12,500	(2,383)	-	10,117
6. Heritage Protection					
Reform Post	6,148	19,500	(15,976)	-	9,672
7. Historic Environment					
Forum	-	800	-	-	800
	<u>-</u>	<u>800</u>	<u>-</u>	<u>-</u>	<u>800</u>
At 31st March 2011	<u>25,495</u>	<u>312,203</u>	<u>(207,381)</u>	<u>31</u>	<u>130,348</u>

1. Generous support from the Leche Trust and the Heritage Lottery Fund over the past three years established and maintained the free on-line resource. Although these have now come to an end further funding has been secured for 2011 to 2014.

2. After the first Diversity project "Embracing Difference" came to an end in August 2008, English Heritage offered a grant to fund a further project "Making a Difference". The underspend was used to ensure that the legacy from these projects was made freely available through enhanced web pages.

3. The major Cultural Olympiad project is recognised and partly funded by LOCOG and during this year, by a grant from English Heritage. In November 2010, as a result of LOCOG funding cuts, one of two posts was lost. There is now one full time project manager attached to the project, which is led by the Heritage Alliance deputy chairman, as project director.

4. This project to bring together organisations concerned with the future of all kinds of places of worship has been generously funded at 100% over the past three years by the National Churches Trust. The project ended with a small deficit of £31 which was cleared by a transfer from the general fund.

5. In January 2011 English Heritage commissioned a major strand of research for Heritage Counts 2011, a survey of infrastructure bodies to show how heritage strengthens civil society. The funding covers a bursary for an intern as well as professional expertise from BOP Consulting, management time and some publication costs.

6. In July 2009 English Heritage commissioned a part time post to enable the Heritage Alliance to appoint a part time member of staff to help sustain the momentum for reform and to inform and co-ordinate voluntary sector activity around the Heritage Protection reform Implementation programme. In January 2011, with English Heritage's agreement, the post has been refocused on the Localism Bill with two consultants appointed in February 2011.

7. In December 2010 The Heritage Alliance took over from English Heritage the secretariat function for the Historic Environment Forum at an annual fee of £2,400. It is expected to continue until at least March 2014.

10 Operating Lease Commitments

There is an operating lease for the premises at The Heritage Alliance with a commitment of £5,913 a year which expires in 1 to 2 years time (2010: £5,913 per annum).