

National
Heritage
Memorial
Fund



Annual Report and Accounts 2024–2025

National Heritage Memorial Fund

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Saving the UK's greatest treasures

The National Heritage Memorial Fund (Memorial Fund) has been awarding grants to safeguard the UK's most important heritage since 1980.

As a funder of last resort, we step in to save heritage that would otherwise almost certainly be lost. This growing collection belongs to us all, forever, and serves as a permanent memorial to those who have given their lives for the UK.

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Foreword by Dr Simon Thurley CBE

Chair of the National Heritage Memorial Fund

The National Heritage Memorial Fund exists to save the UK's most outstanding heritage. As a funder of last resort, we step in to save heritage that would otherwise almost certainly be lost. This growing collection belongs to us all, forever, and serves as a permanent memorial to those who have given their lives for the UK. We take great care to ensure that this exceptional collection is made available to the widest audience possible. Our definition of heritage is broad, and this year we awarded grants to a diverse range of recipients, from archives to paintings and sculpture.

In May 2024, we awarded £5.3million to the Landmark Trust to save Mavisbank House. This Palladian villa is of outstanding importance to Scottish and UK heritage, but after years of neglect was in a perilous condition. Our unique position as a funder of last resort meant we were able to help save this Category A masterpiece, enabling the Landmark Trust to take ownership by providing funds for its stabilisation. The project will also provide local people with opportunities to engage with Mavisbank; with new traineeships in heritage conservation and building skills planned.

We were delighted to support the V&A with £700,000 to acquire a sculpture of the Deposition of Christ, considered to be one of the most important examples of English carving to have survived from the Romanesque period. The Deposition will now have a permanent home in the V&A's Medieval and Renaissance galleries where it will be on public display as well as being an invaluable resource for study.

Given its outstanding historic importance, the Memorial Fund also awarded £60,000 to help the British Museum acquire an exquisite gold and enamelled figure of Henry VI that was discovered in a Northamptonshire field. The figure is the Tudor period's only known example of sacred polychrome enamelled goldwork and one of the finest examples of late medieval precious metalwork ever found.

Our £1m contribution enabled the British Library to acquire five medieval manuscripts of exceptional interest from the private collection of Longleat House which were at risk of being sold abroad. The acquisition will join the British Library's internationally important collection of medieval manuscripts.

When the Duke Humfrey New Testament was also put on the market by a private owner, the Memorial Fund awarded £350,000 towards its acquisition by the Bodleian Libraries. This 13th century illuminated manuscript contains the first complete translation of the bible into French and hadn't been seen by scholars for 300 years. The Bodleian Libraries is a most appropriate home for the manuscript as its historic owner, Duke Humfrey, also founded the Libraries' collections. The manuscript will be displayed and digitised to make it accessible to all.

“As a funder of last resort, we step in to save heritage that would otherwise almost certainly be lost.”



An award of £650,000 from the Memorial Fund, alongside a successful public appeal by the Ashmolean Museum, helped raise the £4.48m needed to keep Fra Angelico's Crucifixion in the UK. The painting had already been sold to an overseas buyer and was at risk of export. The Crucifixion will now join the Ashmolean's extensive Italian Renaissance collection and be displayed alongside a rare triptych of the Virgin and Child by Fra Angelico and his studio.

We also supported two unique archives this year: the Turing Delilah Papers which is of outstanding significance for studying the histories of computing, artificial intelligence and cryptography; and the Nesfield Archive, which sheds light on the origins of some of the UK's most famous landscapes, including Witley Court, Regent's Park, Holkham Hall, Alton Towers, Castle Howard, and several vistas at Kew Gardens. These exceptional archives will now remain in King's College Cambridge and the Garden Museum respectively and be made available digitally.

This year our Board also conducted a review of the Memorial Fund to examine and reaffirm our position as a funder of last resort. Going forward, we will make changes that emphasise the last resort nature of the Memorial Fund and concentrate our efforts on heritage of the highest importance to the UK.

The Memorial Fund plays a critical role in saving the UK's most outstanding heritage. With an increasing number of applications, and given our limited funds, it means the energy, knowledge and commitment of our staff, members of our Advisory Panel, and of trustees, is more important than ever. I extend my sincere gratitude to panel members, advisors and the Memorial Fund team for their continued dedication to supporting our trustees in their efforts to save the UK's most outstanding heritage and build a timeless collection of heritage that belongs to us all.

A handwritten signature in black ink, reading "Simon Thurley".

Dr Simon Thurley CBE
Chair of the National Heritage Memorial Fund

Memorial Fund projects

Overview

This year the Memorial Fund supported 13 projects of outstanding importance to heritage across the UK.





Saving Mavisbank House

The Landmark Trust | £5,300,000

Mavisbank was built from 1723–27. It was designed by architect William Adam, and his client, Sir John Clerk of Penicuik. Clerk absorbed European culture during his Grand Tour in the 1690s and at Mavisbank he created his vision of a classical villa for civilised retreat to the countryside, situated within a beautiful valley that he gently landscaped.

Mavisbank was a pioneering example of a neo-classical style which William Adam's son Robert Adam and others would develop for Edinburgh's New Town a generation later. Mavisbank was built by a workforce of outstanding Scottish craftspeople whose names and individual contributions are recorded in remarkable detail in the surviving archive.

By 1811, the house had fallen out of family use and was sold. From 1876 it was an enlightened private mental health hospital where patients were encouraged to take part in gardening under Scotland's first female professional gardener, Mary E. Burton. From the 1950s, the site was used as a car breaker's yard. In 1973 a disastrous fire left Clerk's beautiful mansion an abandoned, roofless shell. Now a £5.3m grant from the Memorial Fund will enable the house to be saved and the Landmark Trust is leading a multi-stage project to rescue and restore this internationally significant building.



“This is a once-in-a-lifetime moment. Mavisbank has hung by little more than a thread for so long, with demolition seriously contemplated on more than one occasion. The Landmark Trust is absolutely thrilled that through this grant from the National Heritage Memorial Fund, and the support and expertise of many others, we can start the process of saving it.”

Dr Anna Keay
Director
The Landmark Trust



A hoard of tremisses from West Norfolk

Norfolk Museums Service | £217,000

After a large hoard of tiny gold tremisses was found in West Norfolk, the Memorial Fund awarded £217,000 to Norfolk Museums Service to acquire the hoard, safeguarding its future and enabling its permanent display at Norwich Castle Museum and Art Gallery. The acquisition will also enable the research, digitisation and interpretation of the hoard.

Tremisses were the first early medieval coins minted in continental Europe following the collapse of the Roman Empire. Detectorists found 132 coins alongside squashed gold jewellery and a gold ingot.

Millions of coins were in circulation during the Roman and medieval periods because they had well-developed monetised economies. Coins from the Anglo-Saxon period are much rarer, and coin hoards nearly all date from the 10th and 11th centuries. The West Norfolk hoard is internationally important not only for its early date, but in comprising gold rather than silver coins which were more normal in the early medieval period.

These precious tremisses illustrate the reappearance of coinage in Western Europe following the collapse of the Roman Empire. They can help us understand the interactions, particularly of economic contact, between Britain and continental Europe during the Merovingian period in the early 7th century.



“The utter rarity of these coins makes the West Norfolk Hoard a remarkable discovery that is bound to be the subject of academic debate and wonderment to the public for years to come. Its links with other East Anglian sites with royal connections is intriguing and begs all manner of questions about how and why the hoard came to be buried in this corner of Norfolk. Acquisition will not only enable this unique collection to remain together and be studied in the detail it deserves, but be displayed for all to see.”

Dr Tim Pestell

Senior Curator of Archaeology
Norwich Castle Museum and Art Gallery





The Deposition from the Cross acquisition

Victoria and Albert Museum (V&A) | £700,000

An exquisitely detailed and expressive sculpture of the Deposition of Christ from the Cross has been saved for the UK, thanks to a grant of £700,000 from the Memorial Fund.

The Deposition is made from walrus ivory and dates to around 1190. It is believed to have been made in York, one of the UK's most important centres of artistic patronage, trade and religion in the 12th century. With striking tenderness, it captures the moment Christ is lifted down from the cross by Joseph of Arimathea.

The piece is a survivor of the English Reformation and as such is exceptionally rare. Considered to be among the finest and most important examples of English Romanesque carving in the world, it offers a fascinating glimpse into craftsmanship and taste at the highest levels of society in England during the Middle Ages.

Following a temporary export ban and successful fundraising campaign by the V&A, the Deposition now has a secure home in V&A South Kensington's Medieval and Renaissance galleries for future generations to enjoy.

“I am thrilled that the V&A has been able to save this elemental object of English art for the nation. In this small, sublime carving is captured a lost story of Christian culture, Romanesque design and medieval craftsmanship. I am hugely grateful to the National Heritage Memorial Fund and everyone who so generously contributed to secure this wondrous piece for the national collection.”

Dr Tristram Hunt
Director
Victoria and Albert Museum

King Henry VI as a saint

British Museum | £60,000

This tiny gold and enamelled figure shows King Henry VI as a saint. We know it's Henry VI because of the chained antelope at his feet and the inscription 'SH' on the corbel, which is an abbreviation of 'St Henry'. The figure must have been made after Richard III's death in 1485, when a short-lived cult of St Henry was encouraged, and before the English Reformation stopped the commissioning of such objects around 1538.

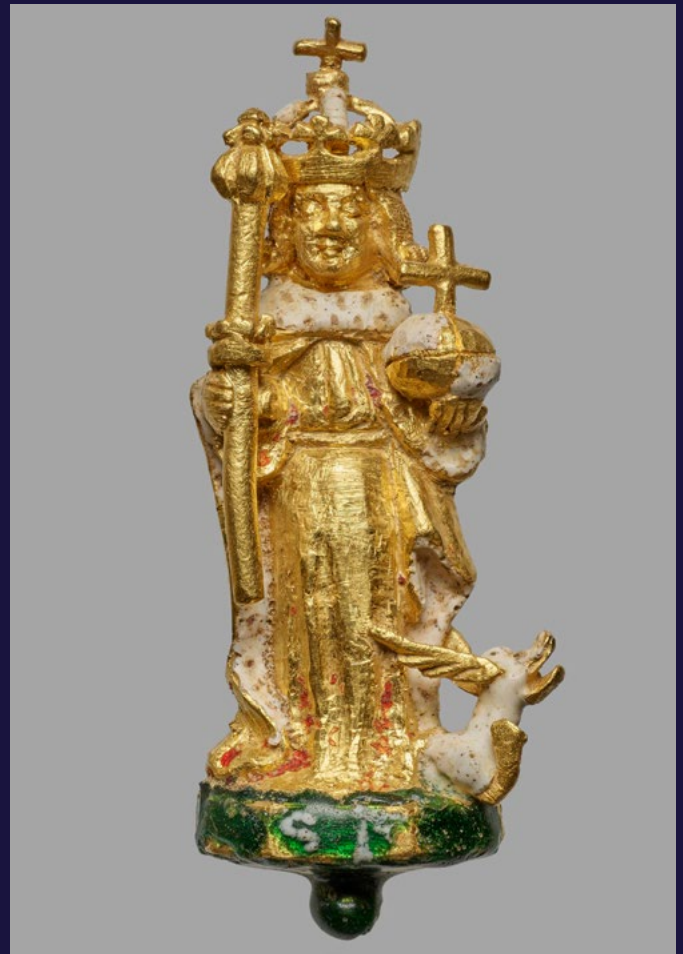
The figure – found by a metal detectorist in a Northamptonshire field – was originally attached to a much larger object that was probably destroyed in the 16th century. What remains is the Tudor period's only known example of sacred polychrome enamelled goldwork and one of the finest examples of late medieval precious metalwork ever found.

Given its outstanding historic importance, the Memorial Fund awarded £60,000 to help the British Museum acquire the figure. Further research will add to the interpretation of this fascinating object.

“We are delighted and very grateful to have had the support of the Memorial Fund in acquiring this little figure of Henry VI for the national collections. Already on display at the British Museum, the figure holds its own against continental goldsmiths' work and offers a tantalising glimpse into the high-quality of English sacred metalwork destroyed in the 16th century.”

Rachel King

Curator: Renaissance Europe
and the Waddesdon Bequest
British Museum



Discovering the Duke Humfrey New Testament

Bodleian Libraries | £350,000



When this illuminated 13th-century manuscript came onto the market, it was declared a new ‘national treasure’ and an unknown masterpiece of outstanding significance. The Duke Humfrey New Testament is a rare witness to an early translation of the New Testament into Old French. With support from the Memorial Fund, the Bodleian Libraries of the University of Oxford acquired the manuscript following an export bar, preventing its loss from the UK. It is now accessible to the public for the first time, both in Bodleian exhibitions and online.

Produced in France in the 1280s, it is richly decorated with historiated initials by the Cholet Master, reflecting the latest style of lively Gothic art. Painting and colour was essential to the architecture iconic of this style, but these features rarely survive outside manuscripts.

The manuscript is intertwined with the history of Anglo-French relations. King Jean II of France, known as Jean le Bon (reigned 1350–64), was the first owner. The book may have come to England after the English captured Jean at the Battle of Poitiers in 1356; or through Joan of Navarre, queen consort of England (1368–1437), who gave the book to her stepson Thomas, duke of Clarence (1387–1421). His wife Margaret Holland (1385–1439) likely passed it to her son Edmund Beaufort (c. 1406–55). He gave it to Humfrey, duke of Gloucester (1390–1447), the most famous book collector of medieval England. Duke Humfrey’s Library – one of England’s oldest reading rooms and now at the heart of the Bodleian Libraries – is named after him.

A £350,000 grant from the Memorial Fund enabled the Bodleian Libraries to save this national treasure, with support from Art Fund (with a contribution from the Wolfson Foundation), Friends of the Nations’ Libraries, the Friends of the Bodleian, and private donors. The Bodleian used new imaging techniques to uncover erased inscriptions, revealing more details of the manuscript’s place in history, and hosted a symposium on the book in March 2025. The book also features in the Libraries’ ambitious public engagement programme, including in the ‘Treasured’ exhibition, open 6 June to 26 October 2025 at the Weston Library.



“This exceptional manuscript fills an essential gap in our understanding of the Old French New Testament, and will enable the first critical edition of this important work. Thanks to the National Heritage Memorial Fund, and other donors, the public can now appreciate this treasure online and at the Bodleian, including the Cholet Master’s delicate miniatures. A programme of conservation has ensured that generations to come will be able to use it as a source of insights into medieval translations of scripture, Anglo-French diplomacy, art, and the importance of books as cultural objects. It is a rare privilege to welcome home such a treasure of European cultural history.”

Dr Andrew Dunning
R.W. Hunt Curator of Medieval Manuscripts
Bodleian Libraries



Saving the Sanday Shipwreck

Orkney Islands Council | £79,658

Following winter storms in early 2024, the timbers of the Sanday Shipwreck appeared on a beach on Sanday, the third largest island in Orkney.

Early indications are that the ship could be a 17th or early 18th century design, perhaps English or Dutch in origin, and exceptionally robust, possibly indicating a warship or armed merchant ship. Both countries were global naval superpowers at that time making this find of potentially international significance.

The Memorial Fund has awarded Orkney Islands Council a grant of £79,658 to enable the building of an eight-metre-long freshwater tank to hold the timbers. This will keep them submerged on site, ensuring their survival for two to three years while Orkney Islands Council and the Sanday Heritage Centre plan and fundraise for its permanent display and interpretation as part of the story of Sanday, the Isle of Wrecks.



“No matter how well you plan, sometimes fate throws you a curve ball which is simultaneously an opportunity and a huge challenge, and this was certainly the case with the Sanday Shipwreck! Thank goodness for the Memorial Fund, which acted at pace to provide the support we needed to help the community care for this fabulous artefact, buying us time to study it in detail and plan a sustainable future for it.”

Nick Hewitt
Team Manager (Culture)
Orkney Islands Council

Described as a “hardworking and loyal servant” Basuto has been given a new lease of life thanks to a grant of £234,583 from the Memorial Fund. Basuto is a Clyde puffer built in Glasgow in 1902 and named after a then British colony (present-day Lesotho). She is part of the collection of the Canal & River Trust’s National Waterways Museum at Ellesmere Port and included on the National Historic Fleet Register.

Clyde puffers were coal-fired single-masted cargo ships. Basuto is the world’s only surviving flat-bottomed inland puffer. She took iron to Falkirk foundries via the Forth and Clyde canal, then coal to Belfast and gravel to Widnes. She served in both World Wars, then in the Manchester Docks until 1981.

Basuto was taking on water and was found to have asbestos. Her fabric was deteriorating and there was a danger of asbestos and other chemicals polluting the canal. Support from the Memorial Fund has meant Basuto can be lifted from the water onto a custom-built cradle. She’ll be made watertight and the asbestos removed before she becomes a permanent outdoor exhibit that, for the first time, the public will be able to get up close to enjoy.



“Basuto is the oldest known surviving inland Clyde ‘puffer’ boat, and her personal historical journey gives us a valuable window into our nation’s history. She tells a unique story which we are now able to share with future generations through new interpretation displays that will accompany her rescue. We are very grateful to the National Heritage Memorial Fund for making this life-saving grant, which will help preserve this important boat for the nation.”

Steve Bagley
Manager
Canal & River Trust’s National Collections

Saving Basuto

Canal & River Trust | £234,583



Sharing the Nesfield Family Archive

Garden Museum | £89,000

Graceful formality, with complex parterres, grand fountains and intricate statuary. These were the hallmarks of the Nesfield style. The Nesfield's were a family of eminent Victorian landscape architects, who together developed over 250 projects across the UK.

The father, William Andrews Nesfield (1793–1881), fought at the Battle of Waterloo before becoming a watercolourist who specialised in landscapes. He then successfully moved into landscape design, as did two of his sons, William Eden (1835–88) and Arthur Markham Nesfield (1841–74).

The Nesfield Archive comprises over 700 sketches and plans, 900 watercolours and studies and 100 other items including notebooks and papers. It was privately owned until its acquisition by the Garden Museum, with an £89,000 contribution towards the purchase from the Memorial Fund. The archive sheds light on the origins of some of the UK's most famous landscapes, including Witley Court, Regent's Park, Holkham Hall, Alton Towers, Castle Howard and Aldenham Park. It will become part of the Garden Museum's Archive of Garden Design, with events planned to investigate and celebrate this historically significant collection.

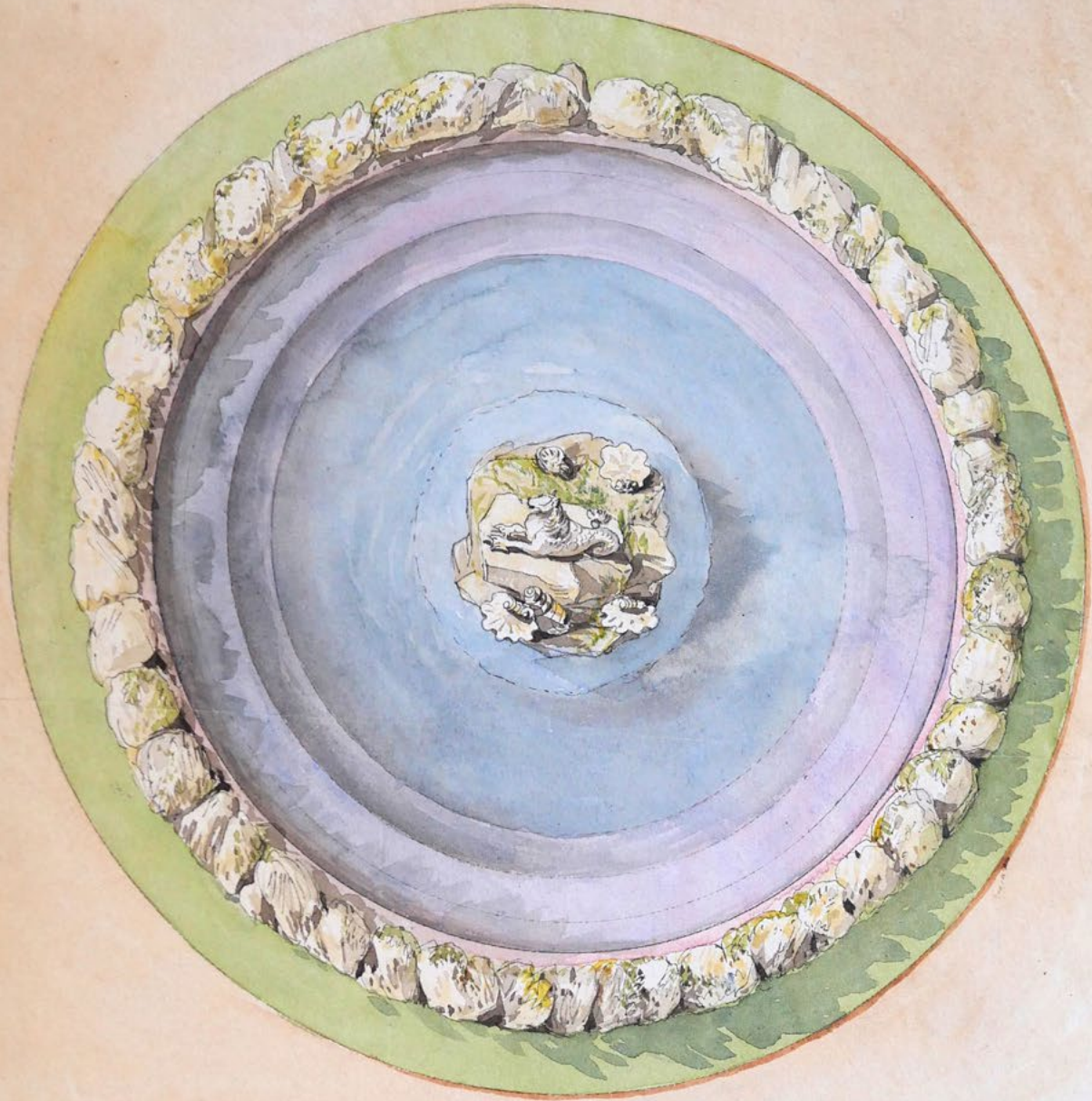


“The Nesfield family were one of the dominant forces of Victorian landscape design; for such a significant archive to come up for sale so many years later is a genuinely one-off opportunity. Thanks to the incredibly generous and quick work of the Memorial Fund and our other funders, the archive rightly has a permanent home alongside some of their fellow garden design greats, to be shared with the public at the Garden Museum.”

Rob Hillman
Archivist
Garden Museum



Ground Plan of Aquarium -





Securing a Fra Angelico in Oxford

Ashmolean Museum | £650,000

A sublime golden painting of the crucifixion has now joined the Ashmolean Museum's collection, thanks in part to a £650,000 grant from the Memorial Fund.

Called Crucifixion with the Virgin, Saint John the Evangelist and the Magdalen, it was painted around 1420 by Fra Angelico, a Florentine friar. It was a subject matter he returned to often and supposedly always painted with tears streaming down his face.

The painting spent 200 years in a private collection before being recognised as a Fra Angelico in 1996. It was sold in 2023 to an overseas buyer and was at risk of export, until a successful public appeal raised £4.48m to keep the painting in the UK.

The Ashmolean has an extensive Italian Renaissance collection that includes pieces by Raphael, Michelangelo and Uccello as well as a rare later triptych of the Virgin and Child by Fra Angelico and his studio. The Crucifixion will now be displayed alongside the triptych, enriching the museum's interpretation of this pivotal artistic period.



“Fra Angelico’s Crucifixion is a wonderful acquisition for the Ashmolean, building on and transforming our early Renaissance collection. I am thrilled that millions of visitors who come through our doors will now be able to enjoy this beautiful, moving and important work – the earliest surviving painting by the artist of a subject he was to return to again and again throughout his career.

Raising close to £4.5m in six short months was no easy task in the current climate, and I am immensely grateful to the Memorial Fund and all the contributors who helped us over the line with only days to spare.”

Dr Xa Sturgis CBE
Director of the Ashmolean



An Orwellian acquisition

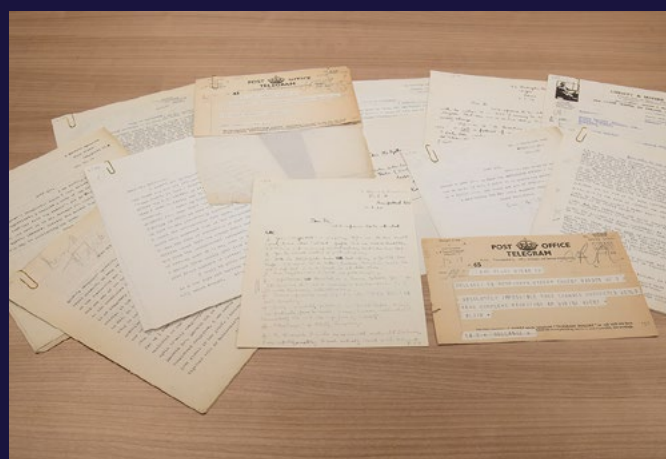
University College London (UCL) | £64,000

George Orwell was one of the most influential writers of the 20th century, his name achieving eponymous status. Yet Orwell didn't keep many records. The majority of those we have are in the world's biggest Orwell archive, the George Orwell Collection, held by University College London and listed in the UNESCO Memory of the World Register. Even so, UCL had always lacked material relating to Orwell's early publications. That was until the last of the Victor Gollancz archive (Orwell's first publisher) came up for sale.

The bulk of Gollancz's archive had been in two warehouses since his death in 1967. In 2018 the current owner decided to sell what remained. Five files became available on *A Clergyman's Daughter* (1935), *Keep the Aspidochelone* and *Inside the Whale* (1936), *The Road to Wigan Pier* (1937), and a file of correspondence about Orwell's inspirations and the possibility of libel suits. UCL was able to acquire them with a £64,000 grant from the Memorial Fund.

“George Orwell remains one of the most important literary figures of the 20th century and his work continues to have relevance today. We are delighted that, with generous support from the Memorial Fund, UCL has been able to purchase this correspondence relating to the publication of his early works. This will enhance the George Orwell Archive and allow further research into his development as a writer.”

Sarah Aitchison
Director of Special Collections
UCL





Turing Delilah Papers

King's College, Cambridge | £97,876

Alan Turing was the genius behind the Bombe decryption machine which broke Nazi codes and shortened the Second World War. He was also a founder of computer science and is now credited with originating AI.

Turing did not keep many notes or working drawings. But one of his collaborators, engineer Donald Bayley, did. Bayley worked with Turing on Delilah, a machine designed to encrypt the spoken word. When the war ended Delilah was no longer required, but Bayley kept the project notes and calculations made by himself and Turing, along with notes he took during Turing's lectures. Many of the notes are written on the back of wireless telegraphy forms ('Red Forms'). These were typically destroyed in the war, so are in themselves rare survivals.

The Turing Delilah Papers are of outstanding significance for studying the histories of computing, artificial intelligence and cryptography. Following a grant of £97,876 from the Memorial Fund, King's College Cambridge was able to acquire them, keeping them in the UK. The College already holds Turing material, most of it in the Turing Digital Archive. There are now plans to have the Turing Delilah Papers become part of this digital archive.



Opening a window on the medieval world

British Library | £1,000,000

The British Library holds an internationally important collection of medieval manuscripts, including an unrivalled collection of manuscripts in Middle English. To further enrich that collection, and with a contribution of £1m from the Memorial Fund, it has added a treasure trove of five important medieval manuscripts from the private collection of Longleat House, Wiltshire.

The acquisition comprises a trilingual dictionary, Psalter, and Hebrew grammar used for studying Hebrew in medieval England; and the Red Book of Bath, which was made for the civic corporation of Bath in the 1420s and contains a range of historical, literary and administrative texts.

It includes *The Form of Living* by Richard Rolle, and related visionary and religious texts, mostly in Middle English. Rolle (c. 1300–49) was an English hermit, mystic and religious writer. *The Form of Living* was a spiritual guidebook and his most famous work. There is also a unique collection of Middle English sermons, thought to be written by a Franciscan friar in East Anglia; and the *Arma Christi*, an illuminated devotional manuscript, written mainly in Middle English.

“The British Library is delighted to have been able to acquire five important medieval manuscripts from Longleat House, thanks to the generosity of the National Heritage Memorial Fund. All five manuscripts are of major national heritage significance. By adding them to the national collection, we can make them available to a wide range of audiences, and to support ground-breaking research into how these manuscripts were made and used.”

Julian Harrison

Lead Curator Medieval Historical and Literature
The British Library



The King's Champion has played a unique role in the coronation of English monarchs since the 11th century. William the Conqueror was the first to have an armed and armoured Champion on horseback in the coronation procession. The Champion was required to announce they would subject to trial by combat any person who challenged the new King or Queen's right to the throne.

The position of Champion is hereditary and still exists today. But after the coronation of George IV in 1821 – the most expensive in British history – the mounted challenge and armour disappeared. The Champion, still a male member of the Dymoke family, now walks in the procession bearing the royal standard, as did the late Francis Dymoke at King Charles's coronation in 2023.

Following a grant of £194,450 from the Memorial Fund, the Royal Armouries Museum has acquired the last existing suit of ceremonial armour from the 1821 coronation in the UK. This unique piece of history will be displayed both at the Tower of London and the Royal Armouries in Leeds.

“We are delighted that, with the generous support of the Memorial Fund, the Royal Armouries is able to acquire the historic armour of the King's Champion from the Coronation of George IV. Worn by Sir Henry Dymoke in 1821—the last armoured Champion to take part in a British coronation—this extraordinary piece adds significantly to the richness and completeness of our national collection. Its preservation within the Royal Armouries will allow us to share this powerful symbol of royal ceremony and tradition with the public through display, interpretation and research for generations to come.”

Henry Yallop
Keeper of Edged Weapons and Armour,
and Lead Curator
Royal Armouries Museum

The last armour of the King's Champion

Royal Armouries Museum | £194,450



Performance report

Performance overview

This section provides information on the main objectives and strategies of the National Heritage Memorial Fund (Memorial Fund). The overview section gives the user information on the organisation's purposes and activities, the key risks to the achievement of its objectives and how it performed during the year. The analysis section is where the Board reports on its most important performance measures, including analysis using financial information from the financial statements.

Our performance in 2024–2025:

A statement from the Chief Executive

This was a year in which the Memorial Fund continued to play a significant role in the nation's life by safeguarding and securing a rich diversity of world-class heritage for the UK public.

National Heritage Memorial Fund

The National Heritage Memorial Fund exists to save the UK's most outstanding heritage. As a funder of last resort, we step in to save heritage that would almost certainly be lost otherwise. This growing collection belongs to us all, forever, and serves as a permanent memorial to those who have given their lives for the UK. We have a broad definition of heritage and provided grants to save a diverse range of heritage this year, from pre-Reformation sculptures to a shipwreck and the working notes of two 20th century intellectual titans. We helped both to acquire and repair heritage to ensure it is preserved for generations to come.

In May 2024 we were delighted to make the year's most significant award of £5.3m to Mavisbank House near Edinburgh. Mavisbank has outstanding heritage credentials – both intrinsic: it was designed in a pioneering neoclassical style by the celebrated Scottish architect William Adam and built in 1723 by outstanding craftspeople; and historic: it was commissioned by John Clerk, a leading figure of the Scottish Enlightenment, and became a groundbreaking

mental hospital in the 19th century that was the incubator of reforms to the national Lunacy Laws. Yet following a devastating fire and subsequent abandonment, what remained of this beautiful building was at risk of demolition. Our award has prevented Mavisbank from being lost forever and laid the foundations for a sustainable future.

Other items supported this year reflect the wide range of heritage that we can consider and includes a hoard of 7th century gold coins, a 19th century suit of armour and a unique Clyde cargo boat that served in both World Wars.

In 2024–2025 our Board also undertook a thorough review of the Memorial Fund, following on from the successful launch of The National Lottery Heritage Fund's Heritage 2033 strategy. The aim was to check and restate the positioning of the Memorial Fund in order to strengthen our strategic priorities going forward. As a result, we will make changes that increase our focus on our role as a funder of last resort and on heritage of the highest importance to the UK. We also wish to emphasise our memorial role: that our grant-making creates a public collection of heritage as a memorial to those who have died for the UK. We will be implementing these changes in our application materials and communications early in the new financial year.

Additional funding for heritage

Our partnerships with the Welsh Government and Defra continued to grow. The Memorial Fund is the preferred partner for several programmes across the current Welsh Government programme for government, continuing funding for nature recovery including Local Places for Nature, The Woodland Investment Grant (TWIG), Nature Networks and Coetiroedd Bach (Tiny Forests). We awarded over £17.1m this year in Wales across four grant-in-aid programmes, as well as looking ahead to additional grant rounds of TWIG and Nature Networks in 2025–2026.

The Species Survival Fund and the Trees Call to Action Fund remain in delivery on behalf of Defra, supporting the creation and restoration of wildlife-rich habitats and building capacity to deliver England's Tree Action Plan. Throughout the year we had eight grant-in-aid programmes in the monitoring stage, where projects remain in delivery from funding committed in previous years. Two programmes were closed down during the year with all projects complete: the Green Recovery Challenge Fund and Local Places for Nature – Breaking Barriers.

Our purpose and activities

The National Heritage Memorial Fund is vested in and administered by a body corporate known as the trustees of the National Heritage Memorial Fund, consisting of a Chair and not more than 14 other members appointed by the Prime Minister. The National Heritage Memorial Fund was set up on 1 April 1980 by the National Heritage Act 1980 ('the 1980 Act') in succession to the National Land Fund as a memorial to those who have given their lives for the UK. It receives an annual grant-in-aid from the government to allow it to make grants. The powers of the trustees and their responsibilities were extended by the provisions of The National Lottery etc Act 1993 ('the 1993 Act'), the National Heritage Act 1997 ('the 1997 Act') and The National Lottery Act 1998.

Under the 1993 Act, trustees also became responsible for the distribution of the proportion of National Lottery proceeds allocated to heritage. Trustees of the National Heritage Memorial Fund have to prepare separate accounts for the receipt and allocation of grant-in-aid and for their operation as a distributor of National Lottery money. Trustees have chosen to

refer to the funds as National Heritage Memorial Fund (Memorial Fund) for sums allocated under the provisions of the 1980 Act and The National Lottery Heritage Fund (Heritage Fund) for receipts under the provisions of the 1993 Act.

Under sections 3 and 3a of the 1980 Act, trustees may make grants and loans out of the National Heritage Memorial Fund for the purpose of acquiring, maintaining or preserving:

1. any land, building or structure which in the opinion of the trustees is of outstanding scenic, historic, aesthetic, architectural, archaeological or scientific interest
2. any object which in their opinion is of outstanding historic, artistic or scientific interest
3. any collection or group of objects, being a collection or group which, taken as a whole, is in their opinion of outstanding historic, artistic or scientific interest

Section 4 of the 1980 Act (as amended) extends the powers of trustees to improving the display of items of outstanding interest to the national heritage by providing financial assistance to construct, convert or improve any building in order to provide facilities designed to promote the public's enjoyment or advance the public's knowledge.

Under the 1980 Act (as amended) and the 1997 Act, trustees are now also able to assist projects directed to increasing public understanding and enjoyment of heritage and to interpreting and recording important aspects of the nation's history, natural history and landscape. Trustees use these extended powers primarily in connection with The National Lottery Heritage Fund. Trustees believe that the National Heritage Memorial Fund has a vital role as the central defence in protecting the nation's items of outstanding importance that are at risk, and as a memorial to those who have given their lives for the UK. Trustees will continue to use the resources provided by government, as well as resources generated by its endowment fund, to offer financial assistance as a fund of last resort towards the acquisition, preservation and maintenance of heritage that is threatened by destruction or loss.

Our key risks

Our Exchequer/grant-in-aid distribution activities encountered various risks, all of which were successfully and efficiently handled to reduce any negative effects on our applicants/grantees, stakeholders, and the Memorial Fund. The Board of Trustees were appraised and assured of our mitigations to these risks through their own review during Board meetings and with the thorough examination conducted by the Audit and Risk Committee on their behalf.

External risks

In the past year, we encountered external risks arising from economic and political uncertainties both in the UK with the change in government and outside of the UK with the war in Ukraine and the election of the new president in the USA. Inflation and escalating cost pressures impacted our applicants, grantees and the projects we funded, mainly due to higher material costs and continuing high demand for our funding.

Another significant external risk was the ongoing uncertainty surrounding National Lottery income. This relates to a potential reduction in lottery income resulting from both wider economic conditions reducing sales and the impact of the transition from the previous National Lottery operator (Camelot) to the new operator (Allwyn) in February 2024. Income for the reporting year was largely consistent with the prior year.

We continued to be fully aware of the risk posed by cyberattacks. Cyber security presents an increasing challenge. As such, we have been proactive in strengthening our controls and processes to mitigate this risk including addition of this topic as a standing item in the Audit and Risk Committee agenda. Additionally, we have maintained accreditation to the National Cyber Security Council-recommended cyber security standard, Cyber Essentials Plus.

Internal risks

Staff resources, particularly recruitment, remains a challenge in a thriving job market and with competitive salaries on offer. We have continued to focus on the wider employee value proposition in order to attract new talent while concentrating on retention and internal opportunities for employees to reduce our staff turnover rate and keeping staff motivation and productivity at a high level.

We remain alert to the potential for fraud both internally and externally in relation to grant-making activities. To mitigate this risk, all staff members are required to participate in fraud awareness training, including key staff attending sessions provided by DCMS. We also have refreshed our counter fraud strategy and policy, with added emphasis on counter fraud reporting in the Audit and Risk Committee meetings. Our investment teams and officers are vigilant against fraud and will promptly identify and report any concerns or potential fraud indicators associated with awarded grants.

We operate a comprehensive system of risk management, with an organisational risk register reviewed by the Executive routinely and by the Audit and Risk Committee at each meeting.

Grant delivery

In 2024–2025 we delivered over £17m in grants as part of our grant-in-aid partnerships with UK government organisations. This includes working with the Welsh Government to deliver a fourth year of the Nature Networks Fund, which aims to improve the condition and resilience of Wales' network of protected land and marine sites, as well as over £3.1m awarded through Y Grant Buddsoddi mewn Coetir – The Woodland Investment Grant (TWIG) scheme – a partnership with Welsh Government and Natural Resources Wales to restore, create, connect and manage woodlands as part of the National Forest for Wales.

Going concern

The accounts have been prepared on a going concern basis. This is because:

1. assets exceeded liabilities at the date of the Statement of Financial Position by £6.6m
2. trustees have set a grant award budget for 2025–2026
3. DCMS has issued the 2025–2026 indicative Memorial Fund budget delegation letter to the Memorial Fund. Trustees have no reason to believe that their chief source of income – grant-in-aid – will not continue to be received. Therefore, the Board has no reason to believe that the Memorial Fund will not continue to operate in the foreseeable future.

Grant-in-aid programmes

We distributed funds on behalf of our sponsor department DCMS and the Welsh Government. The programmes were:

Programme title	Programme aims	Fund managed on behalf of	Amount awarded	Award information
Nature Networks Fund Round 4	Part of the Welsh Government's wider Nature Networks Programme, Nature Networks Fund seeks to improve conditions and resilience of Wales' network of protected land and marine sites.	Welsh Government	£12,908,666	11 projects under £250,000 awarded grants in Q3, totalling £2,713,013. 13 projects over £250,000 awarded grants in Q4, totalling £10,195,653. Projects delivering to March 2028.
The Woodland Investment Grants (TWIG)	Capital programme intended to create, restore and enhance woodlands in Wales, as part of the Welsh Government's National Forest programme.	Welsh Government (85%) and the Heritage Fund (15%)	£2,698,317	20 projects under £250,000 awarded grants in Q1. Projects delivering over two years.
Coetiroedd Bach (Tiny Forests)	Capital programme contributing to the Welsh Government's National Forest programme by funding publicly-accessible tiny forests of dense, native woodland.	Welsh Government	£568,075	13 projects under £250,000 awarded in Q1. Projects delivering to March 2025.
Local Places for Nature Capital Fund	Capital programme intended to enable areas of highest deprivation, peri-urban/urban communities, and/or those with least access to nature in Wales to restore and enhance nature 'on your doorstep'.	Welsh Government (85%) and the Heritage Fund (15%)	£959,587	Five projects under £250,000 awarded in Q1, totalling £375,866. Projects delivering to June 2025. Four projects under £250,000 awarded in Q2, totalling £583,721. Projects delivering to January 2026.

Performance analysis

The trustees of the National Heritage Memorial Fund operate two funds: its grant-in-aid fund (Memorial Fund) and its National Lottery distribution activities (Heritage Fund). It is required by the accounts direction of the Secretary of State for DCMS to account for these activities separately and no consolidated accounts are prepared.

This review discusses solely the activities of the Memorial Fund's grant-in-aid work. The purpose of this section is to discuss the performance of the Memorial Fund in distributing funds derived from DCMS and other government bodies in 2024–2025. The analysis below discusses financial highlights of the year including significant movements on the Statement of Comprehensive Net Expenditure and the Statement of Financial Position as well as some key performance indicators.

The Memorial Fund made awards to 13 projects this year, the applications of which were supported by trustees, to a total of £9,138,891, awarded across a range of heritage spanning the whole UK.

Established as a lasting memorial to those that have given their lives for this country, the Memorial Fund can help fund items of outstanding importance to UK heritage, which are at risk of loss. But not all approaches to the fund meet this high standard of importance, and the Memorial Fund Panel assists in prioritising early funding approaches. The highest priority cases proceed to make applications.

This year's most significant grant, made by trustees at the end of the 2023–2024 financial year as a forward commitment for this year, was awarded to safeguard one of the UK's most important buildings at risk: Mavisbank House. Complex challenges over many years have thwarted previous plans to save this remarkable architectural gem. The Memorial Fund was able this year to support the Landmark Trust's project

to take ownership and make the house structurally sound. This rescue phase will ensure the building is preserved and on public view from the surrounding parkland. The Landmark Trust will continue in their planning and fundraising to realise the full restoration and reuse of Mavisbank, with Memorial Fund support having provided the vital first step to save the building.

In addition, this year the Memorial Fund supported significant manuscript acquisitions of five unique medieval manuscripts from the Longleat Collection, the George Orwell papers from the Gollancz publishing archive and the Nesfield Family archive, an exceptionally rich group of papers from the Victorian landscape designer William Andrew Nesfield and his sons.

The Memorial Fund also supported the purchase of export deferred items this year: a medieval ivory carving depicting the Deposition of Christ from the Cross, the papers of Alan Turing relating to the Delilah project, the Duke Humfrey New Testament and the Crucifixion by Fra Angelico.

We provide support for the acquisition of exceptional archaeological items through the Treasure Act process, this year supporting both the Hoard of Tremises and the gold and enamelled figurine of King Henry VI as a saint.

The Memorial Fund is also able to provide emergency support for maritime heritage, with grants this year to safeguard both the Sanday Shipwreck and Clyde puffer Basuto.

We also award grants for the acquisition of outstandingly important objects for museum collections, which is reflected this year by our support for acquisition of the armour of the King's Champion of the Coronation of George IV in 1821.

Trustees also agreed to a grant increase for the Memorial Fund COVID-19 Response Fund project for two medieval chapels in Wales led by Friends of Friendless Churches. The Memorial Fund COVID-19 Response Fund, which included the Cultural Assets Fund for England alongside the Memorial Fund's own commitment to projects UK wide, was launched in July 2021 with final grants awarded in June 2023.

Total standard grants awarded came to just over £9m. In addition, we made awards of £17m as part of various emergency and other programmes on behalf of other funders, as follows:

	Amounts awarded (before decommitments)
Standard Memorial Fund activity	£9,138,891
NHMF COVID-19 Response Fund	£229,079
Various programmes on behalf of the Welsh Government	£17,134,655
Total	£26,502,625

Financial performance

Overall, the deficit on our income and expenditure reduced by £5.4m because our grant-in-aid drawdown during the year was more than our grant expenditure. The Memorial Fund had outstanding grant liabilities of £75.1m at 31 March 2025 (see note 3 in the accounts section). These will firstly utilise the cash and cash equivalents balance held of £47.2m (see note 16 of the accounts section) before further drawdowns from DCMS thereafter in 2025–2026 and future years to cover the remaining grant commitments.

The return on the endowment fund in 2024–2025 was an increase of 1.1%.

Our operating costs fell from £2.0m to £1.4m. This is due to reduced grant-in-aid activity.

Our non-operating income was £2.2m (£2.9m in 2023–2024) driven by fewer sales of units from the endowment fund and as a result lower profits.

The value of investments in capital accumulation units fell from £37.7m to £34.7m primarily due to endowment sales of £2.8m. Cash held in the endowment fund at year-end was £30.5m (£29.1m in 2023–2024).

Key performance indicators

Trustees recognise that the Memorial Fund should strive for high performance in its activities. To this end, we have two performance indicators. These indicators cover the most significant aspects of customer service: the speed of processing a grant application and the speed of payment for a grant payment request.

Key performance indicators by year

	Target	2024–25	2023–24	2022–23
Application processing times (months)				
– urgent applications	3	1.4	2.7*	1.4
– non-urgent applications	6	2.1	1.9	2.2
Grant payment (number of working days after payment request)				
– standard grants	15	5	5	5

*Two award applications (Portrait of Mai (Omai) and Portrait of Risaldar Jai Singh and Risalda Man Singh) were delayed by external factors beyond the Memorial Fund's control. Excluding these two awards, the processing time was 1.3 months.

Payables

The Memorial Fund adheres to the government-wide standard on invoice payment and the Public Contracts Regulations 2015, which state that all valid invoices should be settled within 30 days. In 2024–2025, 97% of invoices were paid within 30 calendar days (2023–2024: 95%).

We also measure our commitment to paying suppliers using the ratio of creditor days. This is the ratio of trade payables at the end of the year to the total value of purchases in the year expressed in terms of calendar days. At 31 March 2025, the figure was 29 days (2023–2024: 24 days).

Environmental policies and sustainability reporting

This year we continued work on our decarbonisation plan to reach net-zero for our operations by 2030. We have successfully completed the first two years of our decarbonisation delivery plan which focuses on office space, business travel and procurement. Going forwards into our next two-year delivery plan, we are focusing on embedding the responsibility for carbon reduction into all roles in the organisation.

We reduced the physical footprint of our estate by downsizing workspaces by 21%. In doing so we have selected more efficient spaces which will contribute to ongoing emissions savings. Through the year we have made improvements to our data quality, particularly relating to business travel data. The increased insight into our business travel is enabling us to take a proactive approach to reducing our carbon footprint from business travel going forwards. A more proactive approach has been prompted by the continuous year-on-year increase in emissions from business travel.

Our Heritage 2033 strategy commits us to reducing the carbon footprint of the projects we fund. This year we introduced environmental data collection for projects to enable us to begin to calculate the estimated greenhouse gas (GHG) emissions from our funding portfolio. We have established internal governance to support continued action towards the environmental sustainability commitments within our delivery plan.

Greenhouse gas emissions

		2024–25	2023–24	2022–23
Greenhouse gas emissions	Scope 1 emissions (tCO ₂ e)	1.5	1.9	2.4
	Scope 2 emissions (tCO ₂ e)	26.3	26.3	32.8
	Scope 3 emissions (tCO ₂ e)	113.4	101.1	94.5
	Total gross emissions (tCO₂e)	141.2	129.3	129.7
Energy and water consumption	Electricity (kWh)	126,773	126,783	169,109
	– from renewable sources (kWh)	106,970	59,895	19,211
	– from non renewable sources (kWh)	19,803	66,888	149,898
	Gas (kWh)	8,512	10,510	13,588
	Water (m ³)	324	559	436
Expenditure (£'000s)	Utilities (inc. rent and service charges)	1,112	1,030	624
	Business travel (inc. accommodation)	395	380	422

Despite continued reductions in the size and environmental impact of our office estate, we emitted a higher level of greenhouse gases than last year. This was due primarily to increased business travel. We travelled around 62,000 kilometres (or 39,000 miles) more than the previous year (a 5% increase) and stayed an additional 332 nights in hotels. We reduced the distance we travelled by air by around 8% and by train by 5%, while our road travel increased by around 77%. We have incorporated Enterprise car rental data for the first time, which accounts for 20% of the additional road travel. At the time of reporting Enterprise data was only available up to October 2024. We continue to work with travel providers to ensure that we receive travel data in a consistent and timely manner. We improved collection and reporting of travel data from our expenses system, providing increased clarity in GHG emissions reporting.

We collect energy usage data from landlords on an annual basis. Eight out of eleven landlords responded to our request for information. Of the eight landlords that responded, five provided apportioned energy use (41% of the total estate by area). Where whole building figures were provided, we apportioned these based on the proportion our rented office space comprised of the total area of the building. Where no data was returned, we used EPC data as a proxy, in line with previous years, which in most cases provides a higher estimate than actual use.

The expenditure provided includes all costs related to the running and management of the office space as it is not possible to separate these costs out. Costs increased by 8% between 2023–2024 and 2024–2025, broadly in line with market trends.

We have not included homeworking GHG emissions in our reporting as these currently fall outside of the reporting guidelines. We will review this on an annual basis, to ensure we reflect best practice. Concurrently, we are monitoring estimated electricity usage from devices, which are likely to be the largest additional contributor to the environmental impact of homeworking and have used that data to inform procurement of computers.

In reporting our business travel, we have included radiative forcing in calculating the impact of our flights, to reflect the true environmental impact of this activity.

Seven out of our eleven office spaces (72% of our estate by area) use electricity from 100% renewable sources, comprising 84% of our office electricity use (up from 47% last year) and 79% of our total office energy mix. Gas consumption decreased by 19% on last year, and now comprises only 6% of our total office energy mix, this is due to the trend towards electric heating in commercial buildings.

Waste minimisation and management

		2024–25	2023–24	2022–23
Waste (tonnes)	Hazardous (inc. WEEE*)	0	0.011	0.001
	Landfill	4.73	0.091	0
	Energy from waste	5.45	4.12	1.92
	Mixed recycling	7.59	1.41	1.15
	Total waste	17.77	5.63	3.07
Waste expenditure (£'000s)	Total waste	Inc. in Utilities	Inc. in Utilities	Inc. in Utilities

* WEEE = waste electrical and electronic equipment

Finite resource consumption

		2024–25	2023–24	2022–23
Finite resources	Water (m ³)	324	559	436
	Paper use (sheets)	35,493	31,000	33,340
	Paper use (tCO ₂ e)	162	140	152

Waste minimisation and management and finite resource consumption

Our general waste and recycling data is limited as it relies on reported data from landlords. We continue to work with landlords and colleagues to encourage waste reduction and responsible waste disposal. Seven of eleven landlords provided waste data (57% by area). Three of these (19% of the estate by area) provided apportioned data, with the remaining providing whole building waste numbers. Where whole building data were provided, we apportioned these based on the proportion our rented office space comprised of the total area of the building.

Where no data was provided by landlords (43% of the estate, by area) mean waste intensity in tonnes per metre squared was calculated from apportioned data and scaled up to the area of each office. The same approach was taken with recycling and with water. Due to the varied methodologies of waste reporting by landlords, data quality is uncertain. This uncertainty is further compounded by the low response rate from landlords – four out of eleven failed to provide waste data. However, landlords have reported that waste management and recycling has been a priority for them which should lead to better transparency going forwards.

Waste from our offices has increased by approximately 216%. The majority of the recorded increase comes from increased mixed recycling. We have also reported a substantial increase in waste to landfill, due to improved calculation methodology based on local authority landfill ratios.

Through our internal Green Impact engagement programme, we continue to promote the waste hierarchy and circularity to all staff members. Alternatives to consumer single-use plastics are promoted through such actions as deploying the Refill app to all corporate mobile phones and recommending that reusable bottles and travel cups are used when travelling.

Our paper use increased by 14% on 2023–2024 figures. While still considerably lower than the 2019–2020 baseline, paper use continues to increase following the reopening of offices after the COVID-19 pandemic. We continue to advocate for the use of online tools to avoid the need to print and will keep future printer provision under review.

Nature recovery and biodiversity action planning

We do not own any land or natural environments. Our landlords for our London office are in the process of creating a Nature Improvement Plan for the building and we will work with other landlords to see this good practice replicated. Our greatest impact on nature is through our grant giving and nature recovery is a primary focus of Heritage 2033, which is supported through our strategic initiatives. In particular, our Nature Towns and Cities programme, launched in February, is a strategic investment in urban green places to catalyse large scale change in towns and cities across the UK, ensuring millions of people have better access to quality green space.

Sustainable procurement

We developed a monitoring approach for consultants working under our Register of Specialist Services (RoSS) framework. We created tools to report on emissions generated by RoSS consultant travel, to enable informed choices on sustainability and social value when engaging consultants through the RoSS framework. These tools also enable the organisation to support individual RoSS consultants to change behaviours and identify less carbon intensive modes of travel.

Sustainable procurement and monitoring of suppliers is our priority for the coming year as we know that goods and services account for approximately two-thirds of our carbon footprint. This is based on the 2019–2020 baseline calculation that was undertaken which attributed two-thirds of our carbon footprint to our supply chain. The measurement and subsequent reduction of our supply chain's carbon footprint is time critical to enable us to make the change needed by 2030.

Climate change adaptation

Our physical estate is small and agile. As we do not own or operate infrastructure the risk to our organisation as a result of climate change is largely limited to the safety and wellbeing of staff and the potential risk to business continuity in the face of increased extreme weather events. The associated risks are covered in the appropriate risk registers and we are not considering climate change adaptation at this time, however we will keep this under review.

Reducing environmental impacts from ICT and digital

We continue to make progress on reducing the environmental impact of ICT and digital, implementing additional data retention policies to reduce our digital data footprint. The rationalisation of IT systems and efficient use of IT resources is a core element of our future technology plans. Additionally, we have provided training on effective use of the Office 365 suite, including good file management principles and promotion of efficient sharing of documents without duplication. We continue highlighting best practice for IT sustainability including cloud file management and device sustainability settings through the Green Impact programme.

We have changed the way we refresh IT hardware, extending the life cycle of our average device from three to five years and reducing staff travel to facilitate the rollout of new computers. We have also worked to rationalise cabling, adopting USB-C connections as standard to reduce proliferation of peripherals and adapters. We continue to prioritise reuse, repair and resale of our old devices.

We are assessing the implications of AI technology and adoption at the Memorial Fund, including AI related GHG emissions and water consumption.

Policy objectives and targets

We have committed to reach net-zero for our operations by 2030, focusing on our estates, business travel and procurement. We have made strong progress towards our reduction targets for our estates and environmental considerations are embedded into the selection criteria for new offices. For the 2024–2025 financial year, the decarbonisation plan set a target of 29 tonnes CO₂e for office related emissions and this target was successfully met. We decreased the total area of our office spaces from 803m² to 640m² and selected more environmentally friendly offices. We relocated our Cambridge and Newcastle offices, saving 2.6 tonnes of CO₂ and outperformed our target for office emission reductions. As our Newcastle office (previously our highest emitting space per head) was moved late in the financial year, we expect to see a further 2.6 tonnes reduction in GHG emissions from offices in the next reporting period.

Business travel and its resulting environmental footprint continues to increase year-on-year. As an organisation we have reviewed the targets related to travel as set out in our decarbonisation plan and agreed a new approach to emissions reduction. To make the necessary reductions in travel related GHG emissions to meet our carbon reduction targets, in 2025–2026 each team will be allocated a carbon budget requiring a 10% reduction on 2024–2025 travel related GHG emissions. The rate of decarbonisation in subsequent years will need to increase substantially to meet our 2030 target. We are able to do this due to the increased data quality and insight we have achieved for our travel activity.

Within Heritage 2033 we have committed to reducing the carbon footprint of the projects we fund. We have improved project information collection to enable us to establish a baseline of data and continue to measure and monitor this going forwards.

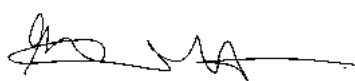
Rural proofing

The National Lottery Heritage Fund has a national reach, supporting projects across the UK. Many of our projects are in rural areas and our investments help to create jobs and support communities. We recognise the challenges that rural communities face, including representation, access to public transport, and availability and equality of paid work. Through our strategic initiatives: Heritage Place, Nature Cities and Towns, and Landscape Connections, we are supporting underserved communities across the UK. Many of these are within rural settings and areas included in Defra's rural proofing strategy, including County Durham, Neath Port Talbot and Torbay.

As an organisation we support our colleagues to work nationwide and our hybrid working policy sets out how staff can work flexibly.

Sustainable construction

As an organisation we are not responsible for new construction or any capital assets.



Eilish McGuinness

Chief Executive and Accounting Officer

3 July 2025

Accountability report

The accountability report has three sections:

- a corporate governance report – a discussion of our governance structure and its achievements in the year under review
- a remuneration and staff report – this details remuneration for trustees and senior management as well as pension arrangements for staff. In addition, we discuss our achievements in workplace equality and diversity of staff.
- a parliamentary accountability report – a report by our auditors on the results of their audit of our accounts for 2024–2025 in line with accounting and auditing standards. This section includes additional disclosures required by Parliament on such matters as regularity of expenditure and how funding was spent.

Corporate governance report

The purpose of this corporate governance report is to explain the composition and organisation of the Memorial Fund’s governance structures and how they support the achievement of our objectives.

The directors’ report

Chair	Dr Simon Thurley CBE
Trustees	Anna Eavis
	Julian Glover
	Roisha Hughes
	Denise Lewis-Poulton
	Ray Macfarlane
	Taryn Nixon
	Carol Pyrah
	Mukesh Sharma MBE DL
	James Twining
Chief Executive	Eilish McGuinness

The gender split of our staff (including those on fixed-term contracts) working on our Exchequer-related activities, and our trustees at 31 March 2025 was as follows:

	Male	Female	Total
Executive directors	1	3	4
Staff	17	53	70
Trustees	4	6	10

Register of Trustees’ Interests

As a matter of policy and procedure, the trustees declare any direct interests in grant applications and commercial relationships to the Memorial Fund and exclude themselves from the relevant grant appraisal discussion and decision processes within the Memorial Fund. In their contacts with grant applicants, trustees seek to avoid levels of involvement or influence that would be incompatible with their responsibilities as a trustee of the National Heritage Memorial Fund. There are corresponding arrangements for staff to report interests and avoid possible conflicts of interest.

The Register of Trustees’ Interests is available on The National Lottery Heritage Fund website – www.heritagefund.org.uk.

Data and research

In 2024–2025 we developed and signed off a new Impact Framework aimed at tracking progress, outcomes and impact for our Heritage 2033 strategy. We have started building new internal data capture systems to gather evidence within this framework.

We also built on our successful installation and pilot of Geographic Information Systems (GIS) in 2023–2024, rolling it out across the organisation through a programme of training and user engagement. We are successfully using GIS to collect, manage and report on monitoring and evaluation data for the Species Survival Fund, a Defra programme.

Our programme of strategic research and evaluations produced evidence to support the Heritage Fund and funded organisations in delivering high-quality, impactful work. This included work on Historic Vessels, Places of Worship and Nature Towns and Cities. It also included leading work on the Heritage Places Strategic Initiative that refreshed the Place Index to support selection of the next tranche of places, and managing an independent evaluation of the initiative.

In the coming year, we are leading work on redesigning the Heritage Fund's approach to grantee evaluations to create a way forward that is more beneficial for us and the organisations we fund. We will also continue to progress our ambitions to improve Heritage Fund data and reporting infrastructure by piloting the application of Artificial Intelligence tools for categorising grant data and developing a taxonomy of classifications for the Heritage Fund.

Appointment of auditors

The 1980 Act provides for the annual accounts of the Memorial Fund to be audited by the Comptroller and Auditor General. The 1993 Act extends this to the National Lottery distribution activities of trustees.

Key stakeholders

We work with a wide range of key stakeholders and partners and consult with them extensively when developing our strategic frameworks and grant-making policies and practice. Among them are DCMS, the National Lottery-playing public, applicants and grantees, strategic agencies and lead bodies for heritage and other policy areas relevant to our funding across the UK, as well as elected members for both local and national governments.

Personal data

The Memorial Fund had eight incidents where personal data was inadvertently disclosed to a third party. However, in line with the Information Commissioner's Office (ICO) guidance, none of these incidents required reporting to the ICO. Lessons were learned and remedial actions taken to minimise the possibility of any reoccurrence. The Memorial Fund will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvement of its systems.

Statement of Trustees' and Accounting Officer's Responsibilities

Under section 7(3) of the 1980 Act, trustees of the Memorial Fund are required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State for DCMS with the consent of HM Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Memorial Fund's state of affairs at the year end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, trustees of the Memorial Fund are required to comply with the HM Treasury Financial Reporting Manual (FReM) and in particular to:

- observe the accounts direction issued by the Secretary of State for DCMS, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FReM, have been followed and disclose and explain any material departures in the financial statements
- prepare the financial statements on the going concern basis
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable

DCMS has appointed the senior full-time official, the Chief Executive, as Accounting Officer for the Memorial Fund.

The responsibilities of an accounting officer, including the responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the Memorial Fund's assets, are set out in Managing Public Money, published by HM Treasury.

Accounting Officer confirmation

I have taken all of the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Department's auditors are aware of that information. As far as I am aware, there is no relevant audit information of which the Department's auditors are unaware.

The Annual Report and Accounts in its entirety is fair, balanced and understandable. I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Governance Statement

As Chief Executive and Accounting Officer it is my responsibility to ensure that there are robust governance, risk management and internal control arrangements across the whole organisation which support the achievement of the Memorial Fund's purpose while safeguarding the public funds and assets for which I am responsible.

The Memorial Fund is required to prepare an annual Governance Statement to describe the organisation's system of internal control, record the assurances received and provide an assessment of the organisation's risk profile and effectiveness in managing those risks.

This statement sets out how I, as Accounting Officer, have discharged my responsibility to manage and control the Memorial Fund's resources during the year. It draws upon the work of the Memorial Fund's Board of Trustees, the Audit and Risk Committee and the Remuneration Committee, as well as the Executive Directors as its executive body. I have also reviewed and considered the annual assurance report prepared by internal audit.

As the Accounting Officer for the National Heritage Memorial Fund, I am required by the accounts direction issued by the Secretary of State to account separately for my two main sources of income – grant-in-aid and funds derived from the National Lottery. I am also accountable for maintaining a sound system of internal control that supports the achievement of the Memorial Fund's policies, aims and objectives, while safeguarding the public funds and

assets for which I am personally responsible. This is in accordance with the responsibilities assigned to me in Managing Public Money.

The National Heritage Memorial Fund and The National Lottery Heritage Fund are operated as a single entity as I believe that this is more efficient and effective. Consequently, there is one governance structure, and this statement covers the distribution of both grant-in-aid awards and National Lottery grants. Although we operate one overall governance structure, we have adapted and flexed our governance to meet the demands of our grant-in-aid programmes. This has been through using small panels of trustees and providing flexibility for some of our decision delegations.

Governance structure

The Memorial Fund's governance structure is set out in the diagram below. The Board and its sub-committees are as described, alongside the Executive and the Strategy and Performance Group.



Board of Trustees

The Board is responsible for:

- giving strategic leadership and direction
- approving control mechanisms to safeguard public resources
- approving investment and administration budgets
- supervising the overall management of Memorial Fund activities
- reporting on the stewardship of public funds

The Board operates as a group and holds six meetings during the year to set Memorial Fund policy and make decisions in line with that policy. The Chief Executive and the executive directors attend these meetings.

Dr Simon Thurley CBE is chair of the Memorial Fund and throughout the year regular liaison meetings were held between him, the Chief Executive and senior staff. The Board is legally constituted up to a

maximum of 15 trustees, including the Chair. In 2024–2025, one trustee was re-appointed, and one trustee retired.

The overall attendance rate of trustees at Board meetings was 97%. Trustees have also delegated some of their tasks to the two committees shown above – these committees oversee the activities of management and provide guidance and support to senior staff. The committee chairs also provide a full report on their activities.

Attendance at the Board meetings throughout 2024–2025 was as follows:

Trustee	meetings	attended
Dr Simon Thurley CBE	6	6
Anna Eavis	6	6
Julian Glover	6	6
Roisha Hughes	6	6
Denise Lewis-Poulton	6	5
Ray Macfarlane	6	6
Taryn Nixon	6	6
Carol Pyrah	6	6
Mukesh Sharma MBE DL	6	5
James Twining	6	6

Board composition

Of the 10 trustees who attended the Board throughout the year, 60% were female and 40% were male. Two (20%) came from ethnically diverse communities.

Board conflicts of interest

Trustees and staff are responsible for ensuring that their entries in the Register of Interests are maintained and updated as necessary. The Legal and Governance team oversees a process to ensure that these entries are updated each year. At the beginning of each Board meeting all trustees and staff are asked to declare any potential conflict of interests. These are noted in the minutes where the matter is deemed to constitute a conflict and trustees and staff remove themselves from Board discussions on those matters.

Board Effectiveness Review

During the 2024–2025 reporting year the Board appointed Socia to undertake a Board Effectiveness Review in line with its Terms of Reference and wider good practice in corporate governance to undertake such a review at least every three years.

The review found that much works well, with the Board having a clear understanding of its purpose and that it has the capability to ensure that it can carry out its accountabilities. The review illustrated the strong alignment of the trustees with the Memorial Fund strategic direction and objectives, with the trustees being aware of the specific requirements of operating on a Board with a government sponsor.

The Board was clear that it also wanted the review to suggest areas for improvement in order to strengthen current practices. The Board has already taken steps to implement the recommendations from the review looking to address consistency across its committees and sharing experience and best practice. Over the coming year the Executive and governance team will work with the Board to strengthen the Board's oversight of the organisation's operational performance and ensure clarity in the roles and responsibilities of the Board, its committee and the Executive.

Board committees

Audit and Risk Committee

The Audit and Risk Committee (ARC) provides constructive challenge on the Memorial Fund's governance, risk management and financial controls. It also provides assurance of the financial report and accounts.

The ARC is chaired by James Twining (a Board trustee) and membership comprises two Board trustees, one of whom is appointed Chair, and two independent members.¹ It is also attended by the Chief Executive, Executive Directors of Business Delivery and Business Services, and other Memorial Fund employees who attend as required.

Officials from National Audit Office (NAO – external auditors) BDO (internal auditors) and DCMS also attend the meetings. The ARC holds in-camera sessions and private discussions with internal and external auditors before each meeting.

At each meeting, the ARC reviews the Memorial Fund's Corporate Risk Register and receives updates on progress against internal audit findings, procurement exemptions, fraud prevention and whistleblowing. The ARC also reviews the Annual Reports and Accounts for both the National Heritage Memorial Fund and National Lottery

¹ Warren Mead and Robert Milburn. Warren Mead has resigned, effective on 30 June 2025. Jon Hayes has been appointed as the new member, commencing on 1 July 2025 following an open recruitment process.

Heritage Fund. During 2024–2025, the ARC also considered the following:

- progress updates on the investment management system
- updates on the Memorial Fund’s approach to cyber security
- revisions to the Memorial Fund’s risk management policy and corporate risk reporting

ARC meeting minutes, and summary reports are shared with the Board and the Chair verbally updates the Board on committee business and decisions.

Attendance at ARC meetings throughout 2024–2025 was as follows:

ARC member	meetings	attended
James Twining	4	4
Taryn Nixon	4	4
Warren Mead	4	4
Robert Milburn	4	4

The committee undertook a review of its effectiveness during the 2024–2025 reporting year, using the National Audit Office Audit and Risk Assurance Committee effectiveness tool, which is considered the standard approach for ARC effectiveness reviews for central government departments and their arm’s length bodies.

The responses from ARC members, the Executive team and the internal and external auditors assessed the ARC as meeting the standard for essential competences, with scores for good practice statements on average indicating that those standards were also met.

Overall, the responses received indicate that members and stakeholders believe the ARC is operating effectively but highlighted some good practice areas for improvement and development. These included how non-trustee members might further engage with the organisation and how this might be achieved, and for the Executive to consider how it will share strategic developments and programme updates at future meetings.

Remuneration and People Committee

The Committee is constituted of four Board trustees, one of whom acts as Chair (Mukesh Sharma MBE DL) and the Chair of the Memorial Fund (Dr Simon Thurley MBE). Both the Chief Executive and Executive Director of Business Services attend all meetings, with the Director of Human Resources attending as required.

The Committee met twice during 2024–2025, considering the Executive remuneration structure, their pay award for 2024 and receiving updates on the pay settlements for employees and the results of the Memorial Fund’s annual staff survey.

Trustee	meetings	attended
Mukesh Sharma MBE DL	2	2
Dr Simon Thurley CBE	2	2
Denise Lewis–Poulton	2	2
Carol Pyrah	2	2

Executive and Strategy and Performance Group (SPG)

The Board delegates day-to-day management of the Memorial Fund to the Chief Executive.

The Executive comprises the Chief Executive and the Executive Directors for the three departments (Business Delivery, Business Innovation and Insight and Business Services). This Executive is responsible for the strategic management and delivery of business in the Memorial Fund. The Executive meets weekly or fortnightly according to business need with a minimum of one formal meeting each month.

The Strategy and Performance Group consists of directors and senior staff from all three departments. They have delegated responsibility from the Executive to monitor and manage operational delivery and have responsibility for horizon scanning, day-to-day performance management and corporate planning. The SPG meets monthly, and twice a year they hold joint meetings with the Executive.

Each executive director provides reports to the Board on activities and issues within their remit.

In addition, at the start of each year, I issue a Letter of Responsibility to each executive director setting out their responsibilities and the need to operate within Memorial Fund, Cabinet Office and HM Treasury guidance and rules. At the end of each year, I receive signed Memorandums of Assurance from each executive director confirming their compliance or identifying any breaches. There was full compliance reported for 2024–2025.

Risk management and internal control

The Board and Executive ensure there are effective arrangements for internal control including risk management at the Memorial Fund. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of the Memorial Fund's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and yet economically.

The Memorial Fund takes the view that the absolute mitigation of all risk is neither possible nor desirable. We believe that it is important that we support and encourage innovation and can take managed risks in support of our strategic objectives. We identify and manage risk at three levels:

- corporate: the principal risks, opportunities and uncertainties affecting the achievement of our mission and strategic outcomes, overseen by the Executive
- operational: risks to the delivery of the themes set out in our Delivery Plan, managed by departments and the SPG
- programmes/projects risk: risks to the delivery of individual programmes, projects and to particular areas of our work, managed by programme boards

Our system of risk management and internal control is designed to manage risk to an acceptable level rather than eliminate all risk of failure to achieve requirements and objectives. The Memorial Fund's appetite for risk varies according to the nature of the activity. The level of risk that we are willing to take is one of the key factors we consider when making decisions on how best to invest, develop and champion heritage.

We seek to minimise exposure to financial, legal, compliance and cyber risk.

During the year corporate risks have been restated and re-evaluated to take account of the Heritage 2033 strategy and its revised three-year business delivery plan. Risks have been assigned a risk tag, associating the risk with one of six themes that have been identified as:

- financial
- strategic delivery
- environmental
- IT and cyber
- heritage landscape
- people

The register distinguishes between the 'inherent' level of risk and the 'residual' level of risk, so that it is possible to judge the effectiveness of existing controls and mechanisms for mitigating the risk, and uses a 5 x 5 likelihood/impact grid to score both the pre- and post-mitigation positions.

Each corporate risk is assigned a risk owner at the Executive level who is accountable to the Chief Executive for the effective management of that risk.

Our controls on fraud include a clear counter-fraud policy and a whistleblowing policy, together with means for the public to directly refer concerns to our audit and investigations team. We also have mandatory fraud awareness training all staff are required to complete annually, including as part of the on-boarding process for new starters.

A programme of internal audit work is prepared annually by the Head of Internal Audit and agreed with the Executive and the ARC. This programme is designed to give assurance that appropriate controls have been designed and are operating correctly in relation to all the significant risks faced by the Memorial Fund.

Over the course of the year, internal audit reports have addressed a considerable number of risks, including within the following key risk areas:

Audit	Assurance rating – design	Assurance rating – effectiveness
Assurance framework and map	Moderate	N/A
Government procurement cards and expense reconciliations	Moderate	Moderate
Commitments, liabilities forecasting and management	Limited	Limited
Grant programme application and monitoring redesign	Moderate	Moderate
Impact framework project review	Limited	Limited
Data protection	Limited	Limited
Review of grant maturity self-assessment	Moderate	Moderate
Follow-up of previous internal audit recommendations	Moderate	Moderate

All reports of the internal auditors are discussed by the ARC with senior members of staff in attendance, including those whose departments were reported upon. This gives me and the Committee the opportunity to discuss in detail the findings, recommendations, and proposed management actions. Where recommendations for improvements or correction are accepted, directors also had to provide an implementation response and timetable for each recommendation. The implementation of these recommendations is tracked and monitored by the Business Services Department and the internal auditors. That control list is also reviewed as a standing item by the ARC.

Our review of risk management in 2024–2025 was conducted in line with HMT Orange Book principles in conjunction with our internal auditors. As such, our risk management practices comply with the requirements of the Orange Book’s five principles.

Counter fraud approach

The Memorial Fund’s counter fraud control framework is designed to minimise the risk of fraud and includes a counter fraud policy and strategy with key outputs. During 2024–2025 the Memorial Fund continued to benchmark its approach against the Government Functional Standard for Counter Fraud (GovS 013) and received an assessment from its sponsor department on levels of compliance. As a result, we have further strengthened our counter fraud policy during this reporting year and have again refreshed our action plan to further embed a counter fraud approach across the organisation.

The Memorial Fund was also assessed by the Cabinet Office against Government Functional Standard for Grants (GovS 015) where it scored the highest rating in five of the six thematic areas. Minor areas for improvement were identified in the sixth area: control framework, and a plan has been implemented to further improve oversight in this area.

In 2024–2025, there were no cases referred on as potential fraud.

Information management and security

The Memorial Fund continued to maintain its performance in responding effectively to information requests, identifying opportunities to proactively disclose information, and embedding good information handling behaviours across the organisation.

There were no major security incidents involving data at the Memorial Fund during 2024–2025. During this period, eight personal data security breaches were reported. No personal data breaches were reported to the Information Commissioner’s Office. Each incident was dealt with immediately and each was investigated to identify if any changes needed to be made to our systems and processes.

Our senior information risk owner, the Executive Director of Business Services, chairs the Technology & Information Governance Group (TIGG) which oversees the framework and processes in place to monitor information assets and associated risks along with developing a culture of awareness among all staff. TIGG is supported in its work by the Data Protection Officer who assists the organisation to monitor internal GDPR compliance and inform and advise on our data protection obligations.

All new staff receive guidance in information security, data protection and Freedom of Information as part of their induction with refresher training part of the Memorial Fund's mandatory eLearning platform.

Whistleblowing arrangements

The Memorial Fund's whistleblowing policy is derived from the Public Interest Disclosure Act 1998 (PIDA) which exists to protect any members of staff who make disclosures in good faith about wrongdoing or activity which is against the public interest. Our policy and procedures for raising concerns are accessible to all Memorial Fund employees and we offer several avenues for staff to voice their concerns including the use of external whistleblowing hotlines.

During the year, no concerns were raised under whistleblowing arrangements. Staff raise issues and make suggestions as part of day-to-day working in line with our culture.

Functional standards

Government functional standards are a suite of 15 management standards that set expectations for functional work across all government departments, including arm's length bodies, and provide a consistent and coherent basis for assurance, risk management and capability improvement. The Memorial Fund has identified the relevant functional standards and self-assesses against them routinely, confirming compliance against the applicable standards and reporting when requested to our sponsor department on our compliance.

Board performance and effectiveness

The most significant activity for the Board has been oversight of our response to the reopening of the National Lottery open programmes and the increasing grant-in-aid activity. The Board has had detailed and regular updates on all interventions and subsets of the trustees have acted as decision makers in the grant-in-aid funded programmes in England, Wales and Northern Ireland.

Nothing of concern emerged from any of the committees supporting the Board. Report findings from both the internal and external auditors were satisfactory during the year.

The Board is satisfied that it continues to meet the requirements of HMT Corporate Governance Code.

There were no matters from the auditors put to the ARC on behalf of the Board that gave it cause for any concern. In consequence the Board believes that it can rely on the information and assurance provided by management for its decision making.

All newly appointed trustees and committee members receive an induction at the time of their appointment which sets out their obligations and duties, the work of the Memorial Fund, and its systems/processes, thereby helping them make a full contribution to the workings of the Board. This formal induction programme is continued through the on-going programme of events and other training opportunities for trustees. The effectiveness of trustees is appraised by the Chair on a regular basis. The Chair's performance is overseen by the senior independent trustee.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of internal control that support the achievement of the Memorial Fund's policies, aims and objectives to safeguard public money and the Memorial Fund's assets.

My review is informed by, but not limited to, assurances gained and received from the following sources:

1. Head of Internal Audit annual assurance statement and internal audit reports

As a result of their programme of work the internal auditors have produced an opinion and annual certificate of assurance with regard to the adequacy of the systems and the operation of internal controls within the Memorial Fund. This opinion, a rating of Moderate, certifies that there is an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved. Internal audit identified two key areas of development: these were a better framework and practices for project and programme management, particularly for the development of its impact measures for the Heritage 2033 strategy, and financial forecasting for grant expenditure. I have reviewed this report in detail and am satisfied that any material areas of note have either already been addressed or have defined action plans for improvement.

2. Annual assurance statements from executive directors

As part of the governance process, assurance statements are received from the executive directors confirming that they have discharged their responsibilities in ensuring that the Memorial Fund's policies and procedures are complied with. Throughout the year, directors received induction and refresher sessions where relevant to outline their responsibilities for annual assurance. Directors' annual assurance statements are submitted to me as Accounting Officer for review and consideration in the preparation of this governance statement.

As a result of the above I believe that the Memorial Fund's control framework provides me with the level of assurance that I require. There is nothing of which I am aware that leads me to believe that our processes for detecting and responding to inefficiency, for preventing conflicts of interest, for preventing and detecting fraud and for minimising losses of grant-in-aid and National Lottery grants are not adequate.

3. Risk management

The risk registers are reviewed in detail on a quarterly basis. The operational risk registers are discussed by the SPG which may recommend changes to, or risks that should be added or removed from, the Corporate Risk Register. Thereafter, the Corporate Risk Register is approved by the Executive prior to being presented to the ARC for review and scrutiny.

The Memorial Fund's risk management framework is guided by recommended requirements of the HM Treasury Orange Book and adopts the three lines of defence assurance model. During 2024–2025 further improvements to the risk management framework were introduced which provided enhanced assurance to the ARC.

While the ARC provides assurance to the Board in its review and scrutiny of the Memorial Fund's risk management arrangements, the Board has ultimate responsibility for ensuring that appropriate risk management practices are in place.

4. Audit and Risk Committee

The ARC meets every quarter to review and discuss all risk updates to ensure that risks are effectively managed by mitigating controls and control assurances. During the year, the committee has focused on receiving additional assurances from officers in respect of people/HR-related matters, data and information security arrangements and counter fraud arrangements. The ARC provides challenges and scrutiny over the Memorial Fund's risk recording, reporting and assurance arrangements and has also required assurances regarding management's responsiveness to the implementation of internal audit recommendations. These assurances have been provided to the satisfaction of the ARC.

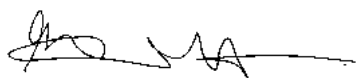
5. Corporate planning and performance management

The Memorial Fund has a system of planning designed to identify corporate priorities and plans in each period and to act as a guide in delivering the strategy approved by the Board. Directorate plans are developed throughout the Memorial Fund, and feed into the overall corporate plan and to the personal objectives for staff.

Additional key management information is also collated and analysed for the Executive throughout the year in various forms. This presents data on such matters as employment statistics, grant-making services, and other financial data such as our balance in the NLDF. Our approach to planning continues to evolve and has supported our plans and budget for the coming period. This includes setting certain priorities for development against our four strategic goals.

Overall assessment of governance and internal control

In my opinion, in consideration of the Head of Internal Audit's assurance report, the Memorial Fund's systems of governance and internal controls are sufficient to enable me to assure myself of compliance by the Memorial Fund with the National Lottery Acts and all policy, financial and accounts direction that necessarily apply to the National Heritage Memorial Fund.

**Eilish McGuinness**

Chief Executive and Accounting Officer

3 July 2025

Remuneration and staff report

The remuneration report covers the whole organisation and the costs have been apportioned to both grant-in-aid and National Lottery distribution accounts.

Remuneration of the Chair and trustees

All trustees were entitled to receive an annual salary for time spent on the activities of the Memorial Fund. In addition, the Memorial Fund reimburses travel expenses of trustees when travelling from their homes to their office of employment.

The remuneration of trustees, including reimbursement of taxable expenses and the tax thereon, falls into the bands in the table below. All trustees are appointed by the Prime Minister.

Trustees have three-year appointments, which are potentially renewable for a second term. They are not members of the pension scheme used by the Memorial Fund. No contributions were made by the Memorial Fund to a pension scheme on the trustees' behalf.

Remuneration of the Chair and trustees (audited information)

Trustees' remuneration was allocated between the Memorial Fund and its National Lottery distribution activities on the basis of 1%:99%. The total remuneration of trustees in 2024–2025 was £206,664 (2023–2024: £188,290). The pay and contracts of trustees are discussed and set by DCMS. Their contracts do not contain any bonus clauses.

	2024–25 £'000	2023–24 £'000
Dr Simon Thurley CBE (Chair)	40–45	40–45
Anna Eavis from 16 February 2024	10–15	0–5 (Full year equivalent: 10–15)
Julian Glover	20–25	15–20
Roisha Hughes from 16 February 2024	10–15	0–5 (Full year equivalent: 10–15)
Denise Lewis-Poulton	20–25	20–25
Ray Macfarlane	20–25	20–25
Taryn Nixon	20–25	15–20
Carol Pyrah	20–25	15–20
Mukesh Sharma MBE DL	20–25	20–25
James Twining from 1 December 2023	10–15	0–5 (Full year equivalent: 10–15)

Cash equivalent transfer values (CETV)

CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement that the member has transferred to the civil service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from lifetime allowance tax that may be due when pension benefits are taken.

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

All senior staff roles had permanent contracts of employment and were either ordinary members of the Principal Civil Service Pension Scheme (PCSPS) or of alpha. Their costs were allocated between The National Lottery Heritage Fund and the Memorial Fund on the basis of 99:1 (2023–2024: 99:1).

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2025. HM Treasury published updated guidance on 27 April 2023; this guidance will continue to be used in the calculation of 2024–2025 CETV figures.

The remuneration and pension of the Executive is shown in the tables below.

Executive remuneration (audited information)

	Salary 2024–25 £'000	Salary 2023–24 £'000	Pension benefits accrued during 2024–25 £'000	Pension benefits accrued during 2023–24 £'000	Total 2024–25 £'000	Total 2023–24 £'000
Eilish McGuinness Chief Executive and Accounting Officer	150–155	145–150	249	(172)*	400–405	(20–25)
Isabel Hunt Executive Director Business Innovation and Insight	130–135	125–130	52	48	180–185	175–180
Anne Jenkins Executive Director Business Delivery	115–120	110–115	90	14	205–210	125–130
Richard Sydee Executive Director Business Services from 19 June 2023	120–125	90–95 (Full year equivalent: 115–120)	207	13	325–330	100–105

* This relates to a final salary member (classic/classic plus/premium) who has transitioned to alpha. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of any pay rise during the year. Where there is no or a small pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.

Executive pension disclosure (audited information)

	Real increase in pension and lump sum £'000	Total accrued pension at pension age and lump sum £'000	Cash equivalent transfer value (CETV) at 31 March 2025 £'000	CETV at 31 March 2024 £'000	Real increase in CETV funded by NHMF £'000
Eilish McGuinness Chief Executive and Accounting Officer	10–12.5 plus a lump sum of 22.5–25	70–75 plus a lump sum of 180–185	1,693	1,430	253
Isabel Hunt Executive Director Business Innovation and Insight	2.5–5	15–20	283	217	40
Anne Jenkins Executive Director Business Delivery	2.5–5 plus a lump sum of 5–7.5	55–60 plus a lump sum of 145–150	1,406	1,289	84
Richard Sydee Executive Director Business Services from 19 June 2023	7.5–10 plus a lump sum of 20–22.5	50–55 plus a lump sum of 125–130	1,090	859	190

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or state pension age for members of alpha, the new Civil Servants and Others Pension Scheme. The pension figures quoted for directors show pension earned in the Principal Civil Service Pension Scheme (PCSPS) or alpha as appropriate. Where the director has benefits in both PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.

Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

Pensions

Pension benefits are provided through civil service pension arrangements. From April 2015, a new pension scheme for civil servants was introduced: the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's state pension age (or 65 if higher). From that date, all newly appointed civil servants and the majority of those already in service joined alpha.

Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS), which has four sections: three providing benefits on a final salary basis (classic, premium and classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium,

classic plus, nuvos and alpha are increased annually in line with legislation for pension increases. Existing members of PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in PCSPS after 1 April 2015. Those who were between 10 years from their normal pension age and 13 years and five months from their normal pension age on 1 April 2012 switched into alpha between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see above). All members who switched to alpha have their PCSPS benefits banked, with those who have earlier benefits in one of the final salary sections of PCSPS having those benefits based on their final salary when they leave alpha.

Members who joined from October 2002 may opt for either the appropriate defined benefit arrangement or a money purchase stakeholder pension with an employer contribution (a partnership pension account). Employee contributions are salary-related and range between 4.6% and 8.05% of pensionable earnings for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition a lump sum equivalent to three years of initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic there is no automatic lump sum.

Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as per premium. In nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with pensions increase legislation.

Benefits in alpha build up in a similar way to nuvos except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. Employer's contributions of £210 (2023–2024: £292) were paid to a panel of appointed stakeholder pension providers. The Memorial Fund makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from the panel of providers. During 2018–2019, the panel was reduced to one supplier, Legal & General.

The employee does not have to contribute, but where they do make contributions the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

There are currently two members of staff working on National Lottery distribution activities with a partnership pension account.

Further details about civil service pension arrangements can be found at www.civilservicepensionscheme.org.uk. Although the schemes are defined benefit schemes, liability for payment of future benefits is a charge to PCSPS or alpha. Departments, agencies and other bodies covered by PCSPS and alpha meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis.

For 2024–2025, employer's contributions of £143,069 (2023–2024: £265,952) excluding amounts paid to partnership pension schemes were paid to PCSPS and alpha at the rates set out as follows:

Salary band	%
£23,000 and under	28.97
£23,001–£45,500	28.97
£45,501–£77,000	28.97
£77,001 and above	28.97

Remuneration ratio (audited information)

The highest paid executive director in 2024–2025 and 2023–2024 was the Chief Executive as disclosed in the table on page 43. The annualised banded remuneration of the Chief Executive was £150,000 to £155,000 (2023–2024: £145,000 to £150,000). This was 3.6 times (2023–2024: 3.7 times) the median remuneration of the workforce, which was £41,979 (2023–2024: £39,730). There were no employees who received remuneration in excess of the highest paid executive director. Remuneration ranged from £24,022 to a banding of £150,000–£155,000 (2023–2024: £21,838 to a banding of £145,000–£150,000).

Fair pay disclosure (audited information)

The percentage change from 2024–2025 to 2023–2024 in respect of the highest paid director and the average percentage change across all staff (excluding the highest paid director) are below.

	Total salary and allowances 2024–25	Staff bonus payments 2024–25	Total salary and allowances 2023–24	Staff bonus payments 2023–24
Staff average	4.72%	27.09%	5.32%	25.51%
Highest paid director	3.39%	—	3.51%	—

The ratio of the Chief Executive's total remuneration as compared to the 25th, 50th and 75th percentile full time equivalent of staff pay is disclosed below.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

	2024–25 £	2024–25 Ratio	2023–24 £	2023–24 Ratio
25th percentile	30,974 (30,282 salary component)	4.9	28,541 (28,082 salary component)	5.2
50th percentile	41,979 (41,287 salary component)	3.6	39,730 (39,087 salary component)	3.7
75th percentile	46,865 (46,173 salary component)	3.3	45,011 (44,497 salary component)	3.3

Exit packages (audited information)

As required by the Cabinet Office, the Memorial Fund is required to publish details of all exit packages agreed in the financial year under review. Exit packages include compulsory and voluntary redundancies, early retirement, compensation for loss of office and ex-gratia payments. The Memorial Fund did not incur any such packages in 2024–2025 (2023–2024: nil).

Staff costs (audited information)

	2024–25 £'000	2023–24 £'000
Salaries	700	906
Employer's NI payments	55	98
Payments to pension schemes	143	247
Temporary staff costs	4	14
	902	1,265

Due to the way our systems operate, we are not able to provide a breakdown of costs between staff on permanent contracts and those on fixed-term contracts.

The average number of employees working on grant-in-aid distribution activities in 2024–2025 was as follows:

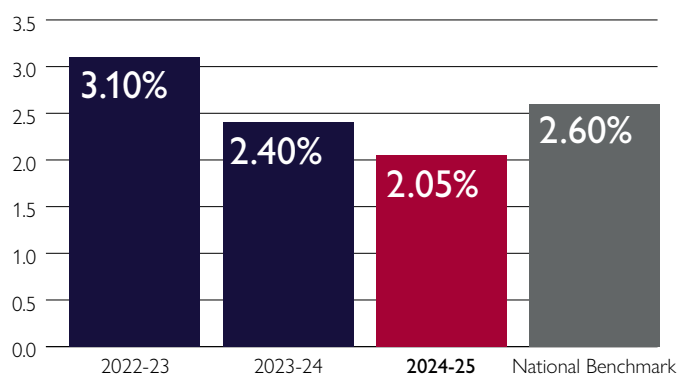
2024–25	Business Delivery	Business Services	Business Innovation and Insight	Total
Permanent staff	12	1	2	15
Other staff	0	0	0	0
Total	12	1	2	15

2023–24	Delivery	Business Services	Business Innovation and Insight	Innovation Total
Permanent staff	18	2	3	23
Other staff	0	0	0	0
Total	18	2	3	23

Sickness absence levels

Sickness levels reduced again last year down to 2%.

This continues to compare well with national absence metrics which place overall UK sickness levels at 3% and 4% in the public sector. We continue to invest in wellbeing support with a wide range of internal and external facilities available to meet the different needs of our staff. We provide hybrid working opportunities and we relaunched our flexible working policy in 2024–2025 to help our people balance personal and work commitments. Our approach to wellbeing and hybrid working both received very positive feedback in our Staff Survey 2024 and were above public sector benchmark levels.



Source: Sickness absence in the UK labour market – Office for National Statistics (ons.gov.uk)

Employee engagement and consultation

Staff Survey 2024

Our 2024 staff survey was completed by 85% of staff, which is our highest response rate to date and gives us strong evidence to benchmark our performance against other public sector organisations.

Our engagement score, the overall level of staff engagement in their work for the Memorial Fund, is also very strong at 80%. This is well above the public sector average benchmark of 71% and is a positive statement of our commitment to the work we do for heritage. The external organisation that ran the survey on our behalf noted our strong staff engagement and commented that we fare well compared to other similar organisations that are also operating in the current uncertain economic and public sector environment.

Results show strong staff engagement (above benchmark) in many key areas including the clarity of our organisational direction, pride in being an employee, personal commitment to the success of the Memorial Fund, enjoying working with colleagues and the flexibility and work life balance we offer. Equally, the survey has highlighted some clear areas for improvement. These include workloads, leadership, inter-team communication and reward and progression.

We moved quickly into reviewing results and exploring areas for action, which included discussions with our culture champions and trade unions, as well as organising results discussions in teams and departments. We have used the results, comments and feedback to shape our new staff survey action plan which focuses on three key themes:

- leadership and values
- workloads and wellbeing
- employee experience

We have established a project management team to oversee the delivery of our action plan. Each of these themes has an executive sponsor and all commitments and actions are director led.

Staff networks

We continue to actively support our five internal staff networks, which provide peer support opportunities and a useful channel for employee engagement and consultation. Our network leads have regular meetings with HR and also with our Chief Executive. Each has a network sponsor from our senior leadership team.

Our networks are:

- Global Majority Network
- Gender Network
- LGBT+ Network
- Neurodiversity Network
- Disability Network

Culture champions

Our culture champions are a voluntary peer network of staff who support our work to embed our values, behaviours and culture throughout the Memorial Fund. They bring the staff voice and their own experiences to conversations about organisational plans and activities. They are empowered to be open and honest, to challenge the status quo and to share their knowledge and expertise with HR and leadership. Nearly all teams have a culture champion who supports their director with local staff engagement actions, but they also have regular meetings with our HR team to discuss, review and support staff engagement work. We recently organised a workshop for our Executive Team and culture champions to review our 2024 staff survey results together.

Trade unions

The Memorial Fund recognises PCS and FDA trade unions. Our HR team meet monthly with both unions and we actively discuss policy, process and members' feedback, as well as wider workforce developments. We also undertake annual pay bargaining negotiations under the devolved Civil Service Pay Remit framework.

Our trade union representatives play valuable roles in the workplace and have a statutory right to reasonable paid time off during normal working hours to complete union duties, according to their trade union role and to undertake trade union activities. We also have a statutory requirement to disclose information about trade union facility time and relevant expenditure and details are shown below.

Trade union representatives and full-time equivalents

	Number of representatives
Trade union representatives	18
FTE trade union representatives	17.63

Percentage of working hours spent on facility time

Percentage of working hours	Number of representatives
0%	2
1–50%	16
51–99%	0
100%	0

Total pay bill and facility time costs

Total cost of facility time	£22,556
Total pay bill	£19,629,146
Percentage of pay spent on facility time	0.11%

Paid trade union activities

Hours spent on paid TU activities time	156
Percentage of total paid facility time spent on paid TU activities	18%

Equality, diversity and inclusion monitoring

Equality, diversity and inclusion (EDI) remain a central part of our work in grant-giving as well as our governance, workforce, values and behaviours. Our strategy Heritage 2033, places inclusion at the heart of everything we do.

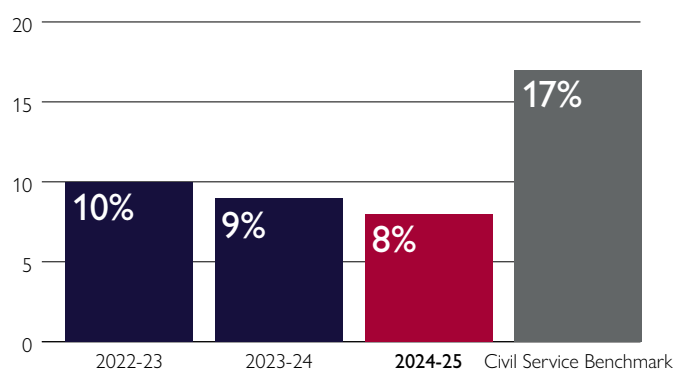
Workforce diversity analysis

The charts below illustrate workforce diversity for ethnicity, disability, gender and sexual orientation. Comparable benchmark data is also shown (based on UK working population levels).

Ethnic diversity in the workforce

The representation of diverse ethnic groups in our workforce fell slightly to 8% in 2024–2025. We recognise this level is lower than national benchmark levels in the wider UK and we are actively committed to addressing this. Ethnicity varies by team and is highest (20%) in our Business Services department, which includes most of our corporate and professional roles. We recognise that ethnic groups are underrepresented across the heritage sector and we are continuing to invest in positive action with our long-term partners, the Windsor Fellowship. We provide four paid internships each year for ethnically diverse candidates to help them pursue career opportunities in heritage. We will be investing in new inclusion training in 2025–2026, plus developing new career development training to support internal applicants from groups who are ethnically under-represented in our senior management teams.

Our review of recruitment shows us that job applications from ethnically diverse candidates have significantly increased from 9% in 2019–2020 to 25% in 2024–2025. This demonstrates the positive impact of our inclusive recruitment initiatives. However, we also recognise there are differences between the numbers of applicants compared to the numbers of appointments. We are undertaking further reviews of our recruitment practices in 2025–2026 as well as wider inclusion initiatives.

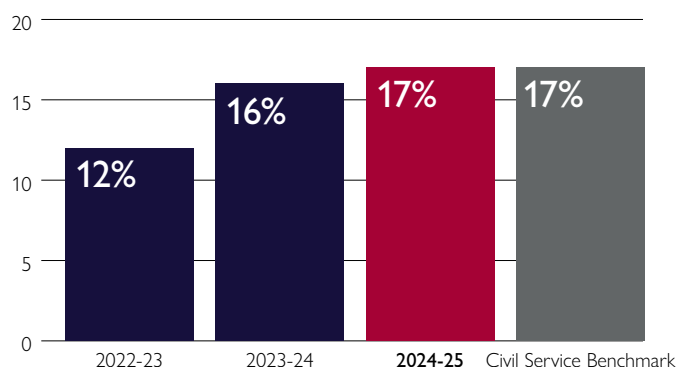


Benchmark source: Statistical bulletin – Civil Service Statistics: 2024 (GOV.UK)

Disability in the workforce

The percentage of our workforce with a disability increased to 17% compared to the previous year. This level matches disability levels in the Civil Service but is considerably higher than the level of disabled people who are economically active in the UK workforce. We remain a Disability Confident employer and we successfully renewed our commitment to this important scheme in 2024–2025. As part of our commitment to positive action, we continue to participate in the Leonard Cheshire 'Change 100' programme. Each year we provide two paid internships to students or graduates with disabilities / long-term health conditions.

We undertook a review of recruitment data in 2024–2025 and job applications from disabled applicants have significantly increased from 6% in 2019–2020 to 13% in 2024–2025. This demonstrates the positive impact of our inclusive recruitment initiatives in encouraging disabled applicants to apply for roles and to share their disability. However, we will be undertaking further reviews of our recruitment practices in 2025–2026 as well as wider disability inclusion initiatives.

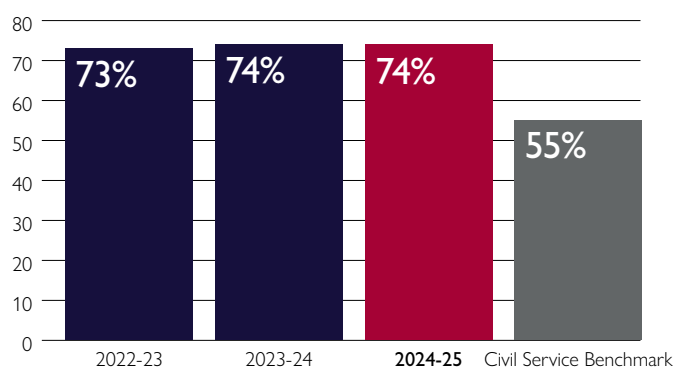


Benchmark source: Statistical bulletin – Civil Service Statistics: 2024 (GOV.UK)

Gender diversity in the workforce

The percentage of women in our workforce in 2024–2025 remains unchanged at 74%. This remains significantly higher than the UK benchmark of women who are economically active in the wider UK workforce and the Civil Service benchmark comparison of 54.2%. We recognise that many other organisations in the heritage and charity sectors also have higher levels of female representation in their workforce however the gender mix of our workforce has an impact on our gender pay.

Our recruitment review shows job applications from men has changed only minimally from 2019–2020 to 2024–2025 at 40%. This demonstrates a lack of success of our recruitment initiatives on this front. We will be undertaking further investigation and analysis to explore the potential root causes for this and for the reduction in numbers between men appointed which is even lower than application levels.

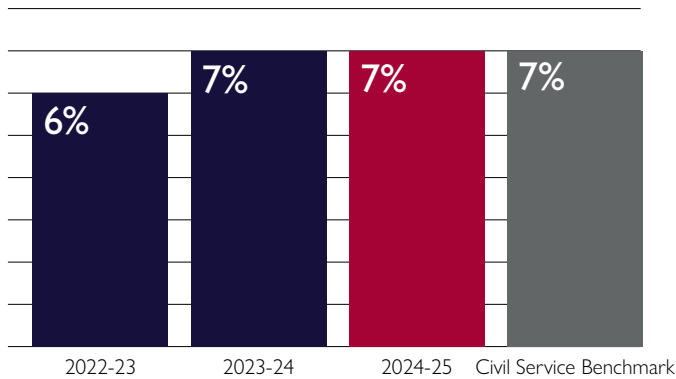


Benchmark source: Statistical bulletin – Civil Service Statistics: 2024 (GOV.UK)

Sexual orientation in the workforce

The percentage of colleagues who identify as lesbian, gay, bisexual, queer or another sexual orientation (LGB+) remained at 7%, unchanged from the previous year. This is similar to Civil Service levels but well above the 3% UK national benchmark.

Our review of recruitment in 2024–2025 shows us that applications from LGBTQ+ candidates significantly increased from 8% in 2019–2020 to 18% in 2024–2025. This demonstrates the attractiveness of the Memorial Fund and success of our recruitment initiatives. However, we will undertake further reviews of our recruitment practices in 2025–2026 as well as wider inclusion initiatives.



Benchmark source: Statistical bulletin – Civil Service Statistics: 2024 (GOV.UK)

Health and safety at work

We continue to invest in wellbeing support services for staff and their managers and we are actively committed to providing support to those who need it.

We provide access to the following services:

- employee assistance programme
- counselling services
- free yoga and tai chi
- pre-employment health assessment for new recruits
- Nuffield Health screening
- occupational health support and reasonable adjustments for those living with long-term conditions
- a fitness and wellbeing scheme
- improved opportunities for support through our new and expanded special leave arrangements
- buying and selling annual leave

All new staff are required to undertake mandatory health and safety training including fire training, mental health awareness, display screen equipment and manual handling. Our mandatory training framework has recently been reviewed and new refresher training requirements will commence in 2025–2026.

Human capital management

We have delivered initiatives throughout the year to ensure the Memorial Fund continues to be a great place to work. Our Staff Survey 2024 results show staff rate us above benchmark public sector levels as an organisation that is committed to developing its people, and we score significantly above benchmark levels for staff recommending the Memorial Fund as a good place to work.

We continue to nurture and grow internal talent. Around 45% of our vacancies were filled by internal candidates. Over 30 staff moved to new career internal opportunities and over 40 staff on fixed term contracts were moved to permanent contracts.

Over 2024–2025 our Workforce Development team ran over 24 different skills training programmes attended by nearly 200 staff. Over 30 staff participated in our “Be Remarkable” management and leadership programmes, plus over 50 staff received funding for external development. We also continue to support apprenticeships and secondments.

However, our staff survey results also tell us that our people want us to invest even more in career development and to provide new opportunities to learn. Priority actions have been built into our survey action plan accordingly. Among other internal and external training opportunities, we are working to promote a learning culture using the ‘70 / 20 / 10’ model, recognising that most learning comes through individual’s core roles and how they work and learn from their managers and peers.

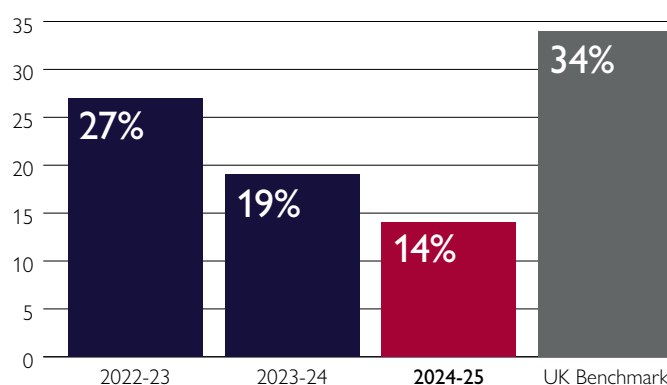
Staff turnover

Overall staff turnover in the year 2024–2025 reduced to 14%, including staff on fixed term contracts. Permanent staff turnover was even lower at 10%. This is considerably lower than the UK-wide employer benchmark.

Permanent staff turnover has stabilised since post-pandemic highs, partly due to national market conditions but also due to proactive action in the following areas:

- reduction in the use of fixed-term contracts
- expansion of flexible and hybrid working opportunities
- opportunities for internal career progression (45% of our vacancies in 2024–2025 were filled through internal career development)
- investments in skills and training
- staff engagement campaigns promoting a great place to work, including wellbeing support
- targeting our pay awards to support staff retention

In addition to reductions in turnover, we also made improvements to how we recruit and over 95% of our recruitment campaigns are successful the first time we advertise.



Source: Benchmarking employee turnover: What are the latest trends and insights? | CIPD

Expenditure on consultancy

The Memorial Fund spent £542 on consultancy in 2024–2025 (2023–2024: £2,468) as part of its National Lottery distribution activities in respect of the provision of advice and expertise to support our operations. This related to an element of the Board Effectiveness Review.

Whistleblowing

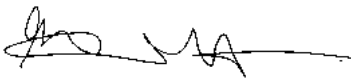
The Memorial Fund has a clear whistleblowing policy to enable staff to raise concerns and disclose information that the individual believes shows malpractice or impropriety. This covers concerns that are in the public interest and includes the following (non-exclusive) matters:

- financial malpractice or impropriety or fraud
- failure to comply with a legal obligation or statutes
- dangers to health and safety or the environment
- criminal activity
- improper conduct or unethical behaviour
- attempts to conceal any of the above

There were no instances of whistleblowing in the year.

Off-payroll engagements

During 2024–2025 the Memorial Fund did not engage any individuals through off-payroll contracts that have an IR35 implication (2023–2024: nil).



Eilish McGuinness

Chief Executive and Accounting Officer

3 July 2025

Parliamentary Accountability and Audit Report

To comply with the requirements of the Government Financial Reporting Manual (FReM), we have disclosed losses and special payments in note 18 of the annual accounts section. Contingent liabilities are disclosed in note 5 of the annual accounts section, we do not have any material contingent liabilities that have not been disclosed. No gifts were made over £300,000.

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament, the Scottish Parliament, Senedd Cymru and Northern Ireland Assembly

Opinion on financial statements

I certify that I have audited the financial statements of the National Heritage Memorial Fund for the year ended 31 March 2025 under the National Heritage Act 1980.

The financial statements comprise the National Heritage Memorial Fund's:

- Statement of Financial Position as at 31 March 2025;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the National Heritage Memorial Fund's affairs as at 31 March 2025 and its total comprehensive for the year then ended; and
- have been properly prepared in accordance with the National Heritage Act 1980 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2024). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2024. I am independent of the National Heritage Memorial Fund in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the National Heritage Memorial Fund is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which

requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Chief Executive as accounting officer is responsible for the other information.

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

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

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

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Heritage Act 1980.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the National Heritage Act 1980; and
- the information given in the Performance and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the National Heritage Memorial Fund and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the National Heritage Memorial Fund or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Heritage Memorial Fund from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the National Heritage Act 1980;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the National Heritage Act 1980; and
- assessing the National Heritage Memorial Fund'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 Accounting Officer anticipates that the services provided by National Heritage Memorial Fund will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Heritage Act 1980.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the National Heritage Memorial Fund's accounting policies.
- inquired of management, the National Heritage Memorial Fund's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the National Heritage Memorial Fund's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the National Heritage Memorial Fund's controls relating to the National Heritage Memorial Fund's compliance with the National Heritage Act 1980 and Managing Public Money.
- inquired of management, the National Heritage Memorial Fund's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
 - discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- inquired of management, the National Heritage Memorial Fund's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the National Heritage Memorial Fund's framework of authority and other legal and regulatory frameworks in which the National Heritage Memorial Fund operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the National Heritage Memorial Fund. The key laws and regulations I considered in this context included National Heritage Act 1980, employment law and Managing Public Money.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessed whether the judgements

on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Comptroller and Auditor General

10 July 2025

National Audit Office
157–197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements

Statement of Comprehensive Net Expenditure

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Sundry income	2	4	—
Expenditure			
Grant expenditure	3	(26,503)	(58,683)
Less lapsed or revoked grant expenditure	3	1,101	4,187
		(25,402)	(54,496)
Operating costs			
Staff costs	7	(902)	(1,265)
Depreciation and amortisation	11 and 12	(5)	(6)
Other operating costs	6	(527)	(766)
		(1,434)	(2,037)
Total expenditure		(26,836)	(56,533)
Operating deficit		(26,832)	(56,533)
Non-operating income			
Interest receivable	9	123	60
Distributions received	10	1,356	1,410
Profit on sale of long-term financial assets	16	751	1,427
		2,230	2,897
Net expenditure for the year		(24,602)	(53,636)
Other comprehensive income/(expenditure)			
Net gain/(loss) on revaluation of Sustainable Multi-Asset Fund	19	(261)	2,158
Total comprehensive expenditure		(24,863)	(51,478)

The Statement of Comprehensive Net Expenditure excludes the National Lottery distribution activities of the Memorial Fund, which are reported in a separate set of accounts.

The notes on pages 61 to 69 form part of these accounts.

Statement of Financial Position

	Notes	As at 31 March 2025 £'000	As at 31 March 2024 £'000
Non-current assets			
Intangible fixed assets	11	3	6
Property, plant and equipment	12	2	4
Investments	13	34,687	37,707
		34,692	37,717
Current assets			
Trade and other receivables	14	12	12
Cash and cash equivalents	15	16,640	12,110
Cash held in the endowment funds	15	30,536	29,058
		47,188	41,180
Total assets		81,880	78,897
Current liabilities			
Trade and other payables	17	(167)	(565)
Grant liabilities	3	(75,136)	(76,892)
Total assets less current liabilities		6,577	1,440
Net assets		6,577	1,440
Represented by:			
Fair value reserve	19	6,959	7,220
Income and expenditure account		(382)	(5,780)
		6,577	1,440

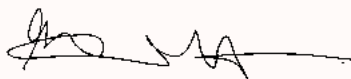
This statement excludes balances relating to the National Lottery distribution activities of the Memorial Fund, which are reported in a separate set of accounts.

The notes on pages 61 to 69 form part of these accounts.



Dr Simon Thurley CBE
Chair

3 July 2025



Eilish McGuinness
Chief Executive and Accounting Officer

Statement of Cash Flows

	Notes	Year ended 31 March 2025 £'000	Year ended 31 March 2024 £'000
Operating deficit for the period		(26,832)	(56,533)
Depreciation and amortisation	11 and 12	5	6
Operating deficit adjusted for non-cash transactions		(26,827)	(56,527)
(Decrease)/Increase in grant liabilities	3	(1,756)	18,269
Increase in receivables (excluding capital and investments)	14	—	(10)
Decrease in non-capital payables	17	(398)	(265)
Net cash outflow from operating activities		(28,981)	(38,533)
Cashflow from investing activities			
Proceeds from sale of investments	13 and 16	3,510	12,225
Interest received from investments	9	123	60
Distributions received from investments	10	1,356	1,410
Net cash inflow from investing activities		4,989	13,695
Cashflow from financing activities			
Grant-in-aid	5	30,000	18,000
Net cash inflow from financing activities		30,000	18,000
Increase/(Decrease) in cash		6,008	(6,838)
Net decrease in cash and cash equivalents			
Cash balances carried forward	15	47,176	41,168
Less cash balances brought forward		(41,168)	(48,006)
Increase/(Decrease) in cash		6,008	(6,838)

The notes on pages 61 to 69 form part of these accounts.

Statement of Changes in Taxpayers' Equity

	Fair value reserve £'000	Income and account £'000
Balance at 31 March 2024	7,220	(5,780)
Changes in taxpayers' equity in 2024–2025		
Net loss on revaluation of financial assets	(261)	–
Comprehensive net expenditure transferred to the accumulated fund	–	(24,602)
Grant-in-aid from DCMS	–	30,000
Balance at 31 March 2025	6,959	(382)
Changes in taxpayers' equity in 2023–2024		
Balance at 31 March 2023	5,062	29,856
Net gain on revaluation of financial assets	2,158	–
Comprehensive net expenditure transferred to the accumulated fund	–	(53,636)
Grant-in-aid from DCMS	–	18,000
Balance at 31 March 2024	7,220	(5,780)

The fair value reserve relates to the difference between book cost and market value of the investments in the endowment fund (see note 19).

Notes to the accounts

1. Statement of Accounting Policies

These financial statements have been prepared in a form directed by the Secretary of State for DCMS with the Heritage Act 1980 and to meet the requirements of the Government Financial Reporting Manual (FReM).

The accounting treatments contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice, the accounting policy that is judged to be most appropriate to the particular circumstances of the Memorial Fund for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Memorial Fund are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

We have not adopted any IFRS that have been issued but are not yet effective.

a) Accounting convention

These accounts have been prepared under the historic cost convention modified where appropriate for fair value. The accounts meet the accounting and disclosure requirements of the FReM and International Financial Reporting Standards, where appropriate.

b) Going concern

These accounts have been prepared on a going concern basis; this is consistent with the guidance set out in the FReM which says to “have regard to the underlying assumption that financial statements shall be prepared on a going concern basis”. Further, it states that “sponsored entities whose statements of financial position show total net liabilities should prepare their financial statements on the going concern basis unless, after discussion with their sponsors, the going concern basis is deemed inappropriate”. No such discussions have taken place. The Memorial Fund has no reason to believe that DCMS has plans to change the grant-in-aid distribution arrangements for the heritage sector and so trustees assume that they will continue to receive funding.

c) Government grants

Our grant-in-aid from DCMS is not treated as income. Instead, it is treated as financing as it is regarded as a contribution from a controlling party that gives rise to a financial interest. This is accomplished by making a credit to the income and expenditure account.

No allocation is made between grants for revenue and capital purposes. The amount of grant-in-aid recognised in these accounts reflects the amounts actually received from DCMS during the financial year.

d) Donations

Donations are treated differently from money received as part of joint grant programmes. A donor is someone that has no involvement in any decision to spend that money. If there is involvement, then it would be treated as a joint grant programme.

Donations are normally recognised in the period in which the funds were received. However, where there is a contractual relationship between the Memorial Fund and the donor, the donation is recognised in the period when the associated activity occurred, irrespective of when the funds were received.

e) Non-current assets

Non-current assets are recognised in the Statement of Financial Position at cost, except for items costing less than £2,000, which are charged to the Statement of Comprehensive Expenditure in the year of acquisition.

Depreciation is provided at rates calculated to write off the valuation of the assets on a straight-line basis over their estimated useful lives as follows:

Right of use asset (property leases)	– Over the life of the lease
Office equipment	– 4 to 10 years
Office fittings	– 4 to 10 years
Grant-assessment and other software	– Up to 5 years

Depreciation commences in the month after the asset is brought into operation.

f) Allocation of costs

The Memorial Fund accounts separately for its National Lottery distribution activities, which it is required to do under its National Lottery accounts direction. The Memorial Fund incurs indirect costs that are shared between activities funded by grant-in-aid and activities funded by The National Lottery.

The Memorial Fund is required to apportion these indirect costs in accordance with Managing Public Money, issued by HM Treasury. This cost apportionment seeks to reflect the specific proportion of time and expenses committed to each activity.

At the end of the financial year, the proportion of joint costs apportioned to our National Lottery distribution activities was 99% (2023–2024: 99%).

g) Investments

As per IFRS9 Financial Instruments, our investments are included in the accounts at fair value as reported to us by our investment managers. Realised gains and losses are included in the Statement of Comprehensive Net Expenditure and are calculated as the difference between sales proceeds and historic cost. Unrealised gains and losses on these investments are reflected in the fair value reserve, which is disclosed in the Statement of Financial Position and the Statement of Changes in Taxpayers' Equity. The investments have been classified as fair value through other comprehensive income.

h) Taxation

No provision is made for general taxation as the Memorial Fund is statutorily exempt under the Corporation Tax Act 2010 (Part 11). The Memorial Fund is not registered for Value Added Tax (VAT), therefore VAT-inclusive costs are included under the relevant expenditure descriptions in these accounts.

i) Pension

The regular cost of providing benefits is charged to the Statement of Comprehensive Net Expenditure over the service lives of the members of the scheme on the basis of a constant percentage of pensionable pay. Almost all of our staff are members of PCSPS or alpha (the follow-up scheme to PCSPS) and the percentage of pensionable pay is notified by the Cabinet Office prior to the start of each financial year. See the remuneration and staff report for further details.

j) Leases

Right of use assets are identified in the Statement of Financial Position at cost determined by the present value of payments due under each lease. The costs are amortised over the minimum period of the lease. The finance costs of servicing the leased assets is charged as interest in the Statement of Comprehensive Net Expenditure.

k) Grant liabilities

Grant awards are recognised as liabilities in the Statement of Financial Position if they meet the definition of liabilities in IAS37 Provisions, Contingent Liabilities and Contingent Assets, whether arising from legal or constructive obligations.

Grant awards are recognised as expenditure and commitments are accounted for when:

- the award has been formally decided on by the Memorial Fund; and
- the award has been notified to the intended recipient; and
- the award is free from any specific performance conditions under the control of the Memorial Fund

When liabilities need no longer be recognised because the project being funded does not require all the money set aside for it under the grant contract, we reduce the value of the outstanding liabilities through a decommitment, disclosed separately in the accounts as lapsed or revoked expenditure. All grant liabilities are payable immediately upon receipt of valid payment requests. Theoretically, grantees could demand their entire grant within the next 12 months if their projects were completed in that period. Hence, we adopt a prudent approach and show the maturity of liabilities to be all within one year.

Decommitments on contingent liabilities occur when a commitment does not crystallise into a full liability. This is normally because the grantee decides not to undertake their project or because trustees feel unable to fund round two applications due to the need to maintain sufficient financial reserves.

l) Cash and cash equivalents

Cash includes cash in hand and deposits held at call with our investment managers.

m) Estimation uncertainty

The preparation of these accounts requires that senior management make judgements, estimates and assumptions that can affect the measurement of reported income, expenses, assets, liabilities and the disclosure of contingent liabilities. It can also affect the allocation of costs between our grant-in-aid and our National Lottery distribution activities.

If these estimates and assumptions, which are based on senior management's best estimate or judgement at the date of the financial statements, deviate from actual circumstances in the future, the original estimates and assumptions will be updated in the period in which the circumstances change.

Our estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The most significant judgements are:

Provision on grant liabilities

Every year we make a provision against grant liabilities recognised in the accounts. This is made up of:

- known decommitments after year-end
- liabilities that may be inactive (ie: have had no grant payments or contact for several years)

Allocation of costs between our two main activities

We have a time recording system in place for staff to indicate which grant-in-aid programmes they are working on and base recharges of costs on that data. Staff are required to record how much time they spent on each programme on a monthly basis.

n) Accounting Standards that have been issued but not yet effective

IFRS 17: Insurance Contracts replaces IFRS 4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-2026. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of this Standard. Due to the type of activity carried out by the Memorial Fund, IFRS 17 is not expected to have a material impact on the accounts.

2. Sundry income

	2024–25 £'000	2023–24 £'000
Repayment of grants	4	—

3. Grant liabilities

	2024–25 £'000	2023–24 £'000
Liability brought forward	76,892	58,623
Commitments in the year	26,503	58,683
Decommitments	(1,101)	(4,187)
Commitments paid	(27,158)	(36,227)
Liability carried forward	75,136	76,892

The balance of grant liabilities at the year-end represents amounts due in the following periods:

	2024–25 £'000	2023–24 £'000
In one year	75,136	76,892
In two to five years	—	—
In more than five years	—	—
	75,136	76,892

At 31 March 2025, the above amounts are net of a provision of £189,000 (31 March 2024: £31,000) for amounts we forecast may not be paid out in the coming years. The provision is based on direct feedback from the Business Delivery team in terms of grants which have closed but not yet registered on the investment management system.

4. Contingent liabilities

There were no contingent liabilities in 2024–2025 (nil in 2023–2024) because all the grant liabilities made during the year were full grant awards with no development grants or explicit performance grants.

5. Grant-in-aid

	2024–25 £'000	2023–24 £'000
Grant from DCMS	30,000	18,000

6. Other operating costs

	2024–25 £'000	2023–24 £'000
Accommodation	46	72
Postage and telephone	8	26
Travel, subsistence and hospitality	16	16
Professional fees		
– Grant-related	62	67
– Non-grant-related	239	434
Communications	73	49
Staff training	14	40
Sundry expenses	4	4
Office equipment	20	16
Auditors' remuneration	45	42
	527	766

There were no non-audit fees paid to the external auditors.

Other operating costs were lower in 2024–2025 than the prior year because of the reduction in grant-in-aid activity.

7. Staff costs

	2024–25 £'000	2023–24 £'000
Salaries	700	906
Employer's NI payments	55	98
Payments to pension scheme	143	247
Temporary staff costs	4	14
	902	1,265

Staff costs were lower in 2024–2025 than the prior year because of the reduction in grant-in-aid activity.

8. Recharged costs

During 2024–2025, the Memorial Fund distributed sums of money from various central government organisations. At the end of the financial year, the proportion of joint operating costs apportioned to the Memorial Fund core funding programme distribution was 1% (2023–2024: 1%).

We identify the proportion of work undertaken by staff on non-National Lottery activities and recharge the various grant-in-aid supported programmes. We also calculate an associated overhead allocation as part of this recharge. The total value of these recharges in 2024–2025 was £1.1m (2023–2024: £1.7m).

9. Interest received

	2024–25 £'000	2023–24 £'000
On cash held in endowment fund	123	60

10. Distributions received

	2024–25 £'000	2023–24 £'000
Income from endowment fund investments	1,356	1,410

11. Intangible assets

	Information Technology 2024–25 £'000	2023–24 £'000
Cost at start of year	15	15
Additions	—	—
Disposals	—	—
At end of year	15	15
Amortisation at start of year	9	6
Disposals	—	—
Charge for the year	3	3
At end of year	12	9
Net book value at start of year	6	9
At end of year	3	6

The capitalisation of information technology represents the development of electronic application forms and an application assessment management system. The above figures represent the Memorial Fund's share of costs invoiced to the Memorial Fund by software developers; almost all the costs have been charged to our National Lottery distribution activities. No internally-generated costs have been capitalised. Additions have been amortised over their expected useful lives.

12. Property, plant and equipment

	IT and other equipment	
	2024–25 £'000	2023–24 £'000
Cost at start of year	7	7
Additions	—	—
Disposals	—	—
At end of year	7	7
Depreciation at start of year	3	—
Disposals	—	—
Charge for the year	2	3
At end of year	5	3
Net book value at start of year	4	7
At end of year	2	4

The value of property, plant and equipment represents a proportionate split of the assets used by both the Memorial Fund's grant-in-aid and its National Lottery distribution activities. This split is currently 99% National Lottery and 1% grant-in-aid.

13. Investments

The Memorial Fund was set up in 1980 as successor to the National Land Fund. Trustees believed that, of the initial grant-in-aid that established the Memorial Fund, the sum of £10m should be regarded as the residue of the National Land Fund and was to be treated as an endowment fund. They decided to invest it with the aim to maintain its capital value in real terms when compared to the Retail Prices Index. Beyond that, the investment aim is to achieve sufficient growth in real terms to enable the Memorial Fund to meet its obligations. To this end, investment in readily marketable financial assets can be made outside the UK. The table on analysis of investments at the year-end below summarises the spread of investments by type and area.

In 2018–2019, trustees changed the target index from the Retail Prices Index to the Consumer Prices Index. The former index is no longer popular in the investment world and there was concern that index numbers might not be produced in the future.

The aim is that the surplus value of the endowment fund, ie: the excess over the current value of the initial £10m, can be drawn down to help fund the Memorial Fund's grant giving. On occasions, trustees have drawn down funds that take the value of the endowment fund below its target value. Trustees do this reluctantly and only when faced with the possibility of losing a significant part of the UK's heritage. In these circumstances, trustees monitor the shortfall and use future grant-in-aid to replenish the endowment fund if capital growth does not exceed the increase in the Consumer Prices Index.

At 31 March 2025, the original £10m investment would be worth £59.8m taking into account indexation. The actual market value was £65m and comprised the following:

	Market value 2024–25 £'000	Market value 2023–24 £'000
Long-term financial assets	34,687	37,707
Cash	30,536	29,058
	65,223	66,765

The element of this fund held in cash is disclosed in these accounts as a current asset as part of the cash balances.

The remainder of the endowment fund is invested in the Sustainable Multi-Asset Fund run by our investment management provider which invests in a range of 22 unit and investment trusts across many asset types and geographic markets. Units in the Sustainable Multi-Asset Fund are sold to raise funds for grant payments and administrative expenses. Trustees have no plans to liquidate the entire endowment fund.

Movements on these investments during the year were:

	2024–25 £'000	2023–24 £'000
Cost and net book value		
At start of year	30,487	41,285
Additions	—	—
Disposals	(2,759)	(10,798)
	27,728	30,487
Net book value		
– Listed on the London Stock Exchange	—	—
– Unlisted investments	27,728	30,487
	27,728	30,487
Cost	27,728	30,487
Market value	34,687	37,707
Unrealised gain	6,959	7,220

There is no liability to taxation on gains realised by the Memorial Fund.

An analysis of investments at the year-end was:

	2024–25 %	2023–24 %
Bonds	10	11
UK equity	—	—
Europe equity (excluding UK)	—	—
Thematic equity	21	15
Global equity funds	52	56
Property	4	5
Diversifiers	10	9
Infrastructure	—	—
Cash	3	4
Commodities	—	—
	100	100

Further information about the underlying investments of the endowment fund can be found under note 20 (Financial instruments) and the Disclosure of Investments note in this report.

14. Trade and other receivables

	2024–25 £'000	2023–24 £'000
Prepayments and accrued income	12	12
	12	12

15. Cash and cash equivalents

	2024–25 £'000	2023–24 £'000
Instant access		
– Cash at bank	16,640	12,110
– Cash held in liquidity funds	30,536	29,058
	47,176	41,168

Cash at bank is held to support our day-to-day activities. Cash held in liquidity funds is cash liquidated from endowment fund sales.

16. Profit on the sale of investments

	2024–25 £'000	2023–24 £'000
Profit on sale of long-term financial assets	751	1,427

17. Trade and other payables

	2024–25 £'000	2023–24 £'000
Trade payables	22	16
Other payables including taxation and social security	69	444
Accruals and deferred income	76	105
	167	565

All trade and other payables are due within one year and included in current liabilities.

18. Related-party transactions

The Memorial Fund is a non-departmental public body sponsored by DCMS. DCMS is regarded as a related party. During the year, the Memorial Fund (including its National Lottery distribution activities) has had various material transactions, other than grant awards, with DCMS itself and with five entities for which DCMS is regarded as the sponsor department: the National Lottery Community Fund, Sport England, UK Sport, Historic England and Arts Council England.

Further details of these transactions and balances can be found in the accounts of the National Lottery distribution activities of the Memorial Fund.

As referenced elsewhere in these accounts, the Memorial Fund has distributed funds on behalf of various government organisations: the DCMS, Defra and the Welsh Government.

Remuneration paid to key management personnel is disclosed in the Remuneration Report on page 43. Trustees and Executives declared an interest in relation to projects which had transactions during the year, these are disclosed below.

Name	Role	External organisation	Position held externally	Position held by whom	Grant awards made in 2024/25	Payments made in 2024/25	Remaining grant liability at 31 March 2025
Anna Eavis	Trustee	Historic England	Commissioner	Brother-in-law	0	0	78,250
Carol Pyrah	Trustee	Urban Green Newcastle	Chief Executive	Self	0	125,625	575,792
Simon Thurley	Trustee	The British Library	Trustee	Self	1,000,000	245,550	1,000,000
Simon Thurley	Trustee	The Landmark Trust	Trustee	Self	0	0	5,300,000

19. Fair value reserve

	2024–25 £'000	2023–24 £'000
At start of year	7,220	5,062
Movement in the year	(261)	2,158
At end of year	6,959	7,220

The reserve relates to the difference between book cost and market value of investments (see note 13).

20. Financial instruments

IFRS 7, Financial Instruments: Disclosures, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Financial instruments play a much more limited role in creating or changing risk for the Memorial Fund than is typical of the listed companies to which IFRS 7 mainly applies. The Memorial Fund does not have powers to borrow but can invest grant-in-aid derived funds. With the exception of the endowment fund, financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the organisation.

Liquidity risk

Trustees maintain an endowment fund and its underlying investment in our investment management providers' Sustainable Multi-Asset Fund is widely traded. Trustees are able to liquidate assets on a daily basis should the need arise to fund grant payments. Therefore trustees are satisfied that they have sufficient liquid resources, in the form of their cash balances (worth £47m at the date of the Statement of Financial Position) and the endowment fund investments (worth £35m at the date of the Statement of Financial Position), to cover all outstanding grant awards of £75.1m and administrative liabilities of £0.2m. The endowment is invested in a fund that is mostly invested in unit trusts, which are readily marketable; the prices are quoted daily in the Financial Times. The Memorial Fund monitors its cash balances on a daily basis and keeps in regular contact with grantees to ascertain their likely cash drawdown requirements.

Trustees consider that the Memorial Fund is not exposed to significant liquidity risks.

Market and interest rate risk

Cash balances were held in a variety of bank accounts – all at variable interest rates.

The year-end cash balances were £47m and were held as disclosed in the table in note 15. Other financial assets and the Memorial Fund's financial liabilities carried nil rates of interest.

At the year end, the market value of the endowment, excluding its cash element, was £35m. Returns are dependent on global stock and commodity markets and performance of investments included within the portfolio. In the year, the return on the endowment was an increase of 1.1%.

Should the value of the endowment fund significantly decline in the long term, trustees would seek an increase in their grant-in-aid while reducing their future grant award budgets. Should this approach be declined by DCMS, trustees would review their long-term grant award strategy.

Credit risk

The Memorial Fund's receivables mostly comprise trade debtors and prepayments. It is not, therefore, exposed to significant credit risk.

Foreign currency risks

The element of the endowment fund that is invested by our investment management provider in a Sustainable Multi-Asset Fund, is denominated in sterling. The Memorial Fund invests in a large number of unit trusts and similar products, many of which include investment in assets denominated in other currencies. It is not possible to be precise about the proportion of the investments denominated in foreign currencies, but it is around two-thirds of our investment holding. The Memorial Fund mitigates its exposure to foreign exchange risks by investing in a global spread of equities, bonds and commodities and, therefore, currencies. The Trustees' Investment Panel monitors the investment of our endowment fund, including the exposure to foreign currencies within the Memorial Fund. All other assets and liabilities of the Memorial Fund are denominated in sterling.

Investment risk

The investments are invested in a fund controlled by our investment management provider. Underlying investments are normally investment trusts that ultimately are underpinned by share investments. The value of shares can go up and down for a wide variety of reasons. By investing with our investment management provider, we are buying into their expertise in making investments. Having invested originally in the Charity Multi-Asset Fund and now in the Sustainable Multi-Asset Fund, we seek a track record of returns above inflation while reducing the impact of market volatility.

By investing in a multi-asset fund, our money is distributed across a large number of investments and asset types, including those designed to maintain value in falling markets, in order to spread the risk. These investments are held for the long-term benefit of the Memorial Fund, allowing us to draw down sums when demand for grant awards exceeds our annual grant-in-aid. Therefore, should the value of the investments significantly rise or fall in any one year, this would not immediately impact on our grant-giving. Depending on the nature of the significant change in investment value, and its likelihood for continuing in the medium to long-term, trustees may amend future grant budgets to reflect the impact.

The Investment Panel includes three independent members with extensive experience in financial markets. The Investment Panel reports directly to the Board of Trustees.

Financial assets by category

	2024–25 £'000	2023–24 £'000
Assets per the statement of financial position		
– Investments	34,687	37,707
– Cash and cash equivalents	47,176	41,168
– Loans and receivables	12	12
	81,875	78,887

Financial liabilities by category

	2024–25 £'000	2023–24 £'000
Liabilities per the statement of financial position		
– Grant commitments	75,136	76,892
– Trade and other payables	91	460
– Accruals	76	105
	75,303	77,457

Fair values

1. The trustees consider the book value to equal the fair value for all financial assets and liabilities.
2. Cash is the value of short-term money market investments and deposits with commercial banks. It is expected that book value equals fair value.
3. Investments are made in readily marketable securities and are valued at mid-market at close of business on the date of the Statement of Financial Position. Where relevant, the closing exchange rate between the base currency and sterling is taken at the date of the Statement of Financial Position. Book value reflects the price actually paid in sterling at the date of completion of the transaction.
4. No provision for bad debts is deemed necessary. None of the debts are long-term and so no discounting factor has been applied.
5. All non-grant payables are due within normal contractual terms, usually 14–30 days, and so no difference exists between book value and fair value.

Maturity of financial liabilities

The Statement of Financial Position discloses the figures above separated between amounts due in one year and amounts due in more than one year. Our contracts with grantees contain no split between amounts due within one year and beyond one year.

Theoretically, grantees could demand their entire grant within the next 12 months if their projects were completed in that period. Hence, we have adopted a prudent approach and shown the maturity of liabilities to be all within one year. In 2024–2025, this is £75,303,000 (£77,457,000 in 2023–2024).

21. Losses and special payments

Losses occur where there is no evidence that a funded project's objectives were met. In 2024–2025, the Memorial Fund had no write offs (2023–2024: nil).

Special payments arise where ex-gratia payments are approved. No special payments were made in the year (2023–2024: nil).

22. Capital commitments

At 31 March 2025, the Memorial Fund had no capital commitments contracted for or capital commitments approved but not contracted for.

23. Events after the reporting period

There are no events after the Statement of Financial Position date and up to the date the accounts were authorised for issue requiring an adjustment to the financial statements. The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Disclosure of investments

The investment of the endowment fund

Trustees regard a £10m lump sum given to the Memorial Fund in 1980 as an endowment to be occasionally used alongside its grant-in-aid to help support the UK's heritage. The endowment fund is invested in order to maximise the return over the long term.

Investment management is outsourced to specialist fund managers, Cazenove Capital. Investment policy is the responsibility of the Investment Panel – a sub-committee of the Board. The panel comprises two trustees and three independent financial experts who meet with the investment management provider twice a year to discuss its performance.

The Board recognises that there can be public interest in disclosure of the investments being made and sets out details of them below. The Sustainable Multi-Asset Fund invests in a large number of investment trusts and other types of investment, most of which regularly buy and sell assets. The information was correct at 31 March 2025 and will be updated annually in the Annual Report.

The investment management provider has its own responsible investment policy that it adopts when making investments. It considers environmental, social and governance issues and produces an annual responsible investment report detailing its activities. The investment management provider complies with the United Nations' Principles for Responsible Investment. We require the provider to notify us if it is considering investing in any organisation that could lead to embarrassment to the Memorial Fund.

Sustainable Multi-Asset Fund

Growth assets	72.9%
Core Global equities	51.8%
Direct Equities, 30–50 of the world's leading sustainable businesses	51.8%
Thematic equities	21.1%
HSBC Global Sustainable Healthcare Equity	2.3%
Robeco Circular Economy Fund	1.7%
Rockefeller US Small Cap Fund	2.5%
Schroder Global Sustainable Value	5.0%
UBAM Positive Impact EM Fund	1.5%
UBS ESG Elite S&P 500 ETF	8.1%
Alternatives	13.5%
Property	3.8%
Charities Property Fund	1.9%
Property Income Trust for Charities	1.8%
Diversifiers	9.7%
BlueOrchard Microfinance Fund	0.9%
Brevan Howard Absolute Return Fund	1.1%
Schroder Sustainable Diversified Alternative Asset Fund	3.6%
Wisdom Tree Energy Transition Metals	1.7%
WisdomTree Physical Gold ETF	2.4%
Defensive assets	13.6%
Bonds	10.5%
1.125 UK Gilt 2039	2.2%
Inflation Linked Gilt 2026	1.0%
Lombard Odier Climate Bond	1.0%
Morgan Stanley Global Asset Backed Securities	1.9%
Schroder SSF Sustainable Sovereign Bond Fund	2.4%
Threadneedle EU Social Bond Fund	1.0%
TwentyFour Sustainable Short Term Bond	1.0%
Cash & equivalents	3.1%
HSBC ESG Liquidity Fund	0.4%
Cash	2.8%

Source: Cazenove 31 March 2025

Chair, trustees and management

Chair and trustees

Chair

Dr Simon Thurley CBE

Trustees

Anna Eavis
Julian Glover
Roisha Hughes
Denise Lewis-Poulton
Ray Macfarlane
Taryn Nixon
Carol Pyrah
Mukesh Sharma MBE DL
James Twining

Executive directors

Chief Executive and Accounting Officer

Eilish McGuinness

Executive directors

Isabel Hunt
Anne Jenkins
Richard Sydee

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