
Trustees' Annual Report and Accounts

Year ended 31st March 2023

The Architectural Heritage Fund

Company Number: 1150304

Charity Number: 266780

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Annual Report and Accounts 2022/23

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1. Who we are and what we do

The AHF is a registered charity, founded in 1976 to promote the conservation and sustainable reuse of historic buildings for the benefit of communities across the UK, particularly in economically disadvantaged areas.

Purpose

The AHF exists to help communities find enterprising ways to revitalise the old buildings they love. We help them with advice, grants and loans. Our support acts as a catalyst for putting sustainable heritage at the heart of vibrant local economies.

For over 45 years, we've been the leading social investor in creating new futures for historic buildings.

2 Chair's introduction

I am delighted to be introducing my first Annual Review as Chair of the AHF. It has been a hugely interesting first year in the role and one in which I have been able to properly appreciate the extent of the AHF's work across the UK.

It has been incredibly useful meeting key partners and stakeholders and also making visits to some of the projects we have supported. A trip to Scotland over the summer included a visit to a number of hugely impressive projects, including Above Adventure in Kilmarnock. This project, supported by the AHF with all three core elements of its support – grants, loans and advice – has seen the rescue of Grange Free Church from dereliction and turn it into a popular, accessible climbing hub. This is very much an AHF project through and through: working within a deprived community to help bring forward an ambitious social enterprise led project for a redundant historic building. The creation of this new asset is also helping efforts to bring more footfall into the town centre and which demonstrates the wider impact projects like this can have.

It's also been a pleasure to meet so many of our stakeholders and partners. Our partners are critical supporters and funders of our work and we continue to benefit from hugely important relationships across the heritage and social investment sectors. I would like to thank all our funders for their new and ongoing investments over the course of the year, including the Department for Digital, Culture, Media and Sport, and the statutory agencies across the UK, the Department for Communities Northern Ireland, Historic England, Historic Environment Scotland and Cadw. We're also immensely grateful for the ongoing support from foundation and trust supporters, including the Garfield Weston Foundation, Pilgrim Trust and William Grant Foundation.

I have been an admirer of the AHF for many years, but in the last year I have really understood the crucial role that it plays and the opportunities that exist for it to contribute yet more widely. Matthew and the team at the AHF do an amazing job supporting communities around the UK to realise their ambitions and I have been incredibly impressed by the quality of the work they deliver.

I want to say a thank you to my fellow trustees who have all made me feel immensely welcome. We were sad to see Carole Anne-Davies retire from the Board during the year, but we have been lucky to replace her with such an experienced new trustee for Wales in Menna Jones. I look forward to working with Menna and the entire Board as we implement our new Strategy during the next year.

Ros Kerslake CBE

Chair

3 Chief Executive's highlights from the year

One of the big pieces of work we undertook this year was the interim evaluation of our 2020-23 strategy. This was a very positive piece of independent research for the organisation, with the AHF scoring highly across a range of metrics from our grant recipients and loan clients. One of those metrics was a rating of the support they had received from the AHF, on a scale of 0 to 100, with the average score coming out at **92/100**. We see this as a strong endorsement not only for the work we do, but also of how we do it, and this underlines why we are signatories of the Institute of Voluntary Action Research's 'Flexible Funder' commitments that aim to keep funders committed to 'open and trusting' funding practices.

The evaluation also highlighted areas of work where we need to develop our approach. This includes more intelligence-led targeting of areas and communities that have not, for whatever reason, benefitted from previous AHF investment. We have also undertaken work to re-develop our grant and loan assessment criteria to ensure decision-making better reflects considerations of Equality, Diversity and Inclusion, and this was launched in time for our new funding awards, from April 2023 onwards. We also continue to work with partners to look at ways we can support the capacity of less well-resourced organisations to bring forward applications, particularly at the early stage.

Our £15.4m high streets programme, Transforming Places through Heritage, closed in March 2023. Despite the difficulties of delivering a programme like this during a pandemic, the evaluation of the programme has been very encouraging. The initiative – which awarded 338 grants to 239 organisations focused on high street heritage-led regeneration – was found to have delivered significant value in town centres where the market is not working and where investment in social and community enterprise-led projects can make a real difference. We continue to make the case to government and other funders that this type of investment is both still very much needed across the UK and also delivers clear heritage, community and regeneration impacts.

That need for ongoing investment is one of the reasons we were so delighted to receive news of a new £5m grant from the National Lottery Heritage Fund to award to a further cohort of [Heritage Development Trusts](#). The Heritage Development Trust pilot formed part of our Transforming Places through Heritage Programme and included investment in seven organisations across England. These organisations are all actively involved in developing portfolios of heritage assets within town centre and high street locations, filling gaps that are often left by the private and public sectors. We are very grateful to the Heritage Fund for this award and look forward to expanding the programme to Scotland, Wales and Northern Ireland during the next year.

Our new [Strategy for 2023-28](#) sets out our ambitions to increase funding and support to charities and social enterprises to deliver across a range of priorities – from place-making to improving the energy efficiency of historic buildings. And despite all the challenges the UK currently faces, we remain optimistic about the role heritage-led regeneration can continue to play in communities across the UK.

Matthew Mckeague

CEO

4 Our objectives

1. Our impact: Progress against our strategy

Below we provide an assessment of our progress over the course of the year of delivering against our four strategic aims:

Aim One

Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings.

Aim Two

Support community-led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings.

Aim Three

Increase the effectiveness and impact of the AHF, ensuring we continue to deliver value for funders and the organisations and projects we invest in.

Aim Four

Promote the impact and benefits of community-led regeneration and ownership of historic buildings, to Government, communities and funders.

Objective 1: Generate and distribute increased levels of investment and funding to support the sustainable reuse of historic buildings.

Fig 1.

KPI	Result
Grant programme spend targets met	Met.
Fully commit HIF and endowment funds	Partial achievement. Both funds were near to full commitment at year end: (Endowment: 816k unallocated. HIF: 442k unallocated).
Fundraising strategy targets achieved	Partial achievement. New £5m HDT programme and new England grant funding agreed. New loan finance was delayed by BoE rate rises.

During the past year, the AHF made 17 loan offers (including extensions) totalling £4,251,218. We also awarded 133 project grant offers totalling £2,435,172, and two sector partner grants totalling £28,333.

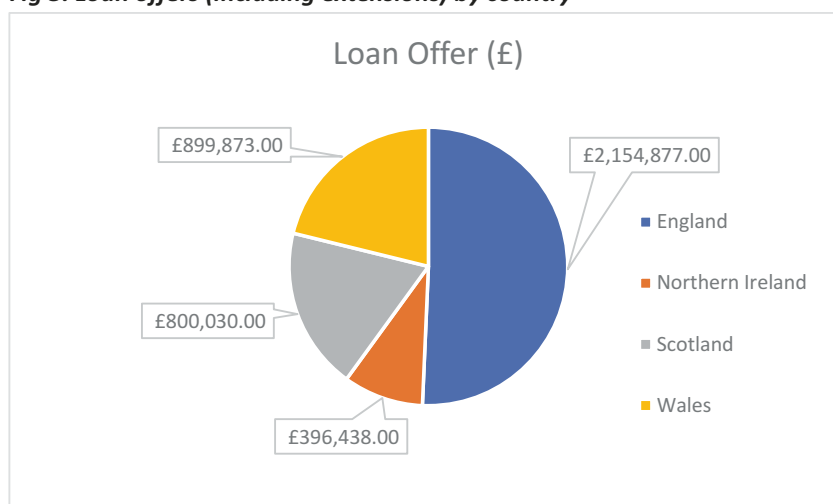
A total of 53 grant offers were made in England under the Transforming Places through Heritage Programme during its final year of delivery. In total we have awarded £13,893,006 under this programme since 2019, to more than 239 projects. There is still strong demand for town centre and high street focused investments, and this is a fundraising priority we are taking forward into our new strategy for 2023-28.

Fig 2. Loan offers (including extensions) 22/23

Organisations	Buildings	Loan Offer (£)
England		
Bourne Town Hall Trust	Bourne Town Hall	£ 30,000.00
House of Illustration (extension)	New River Head	£ 1,004,624.00
Harwich Electric Palace Trust (extension)	Harwich Electric Palace	£ 70,000.00
Cultura Trust (extension)	Warwick Bridge Corn Mill	£ 224,503.00
CEDE Foundation	Former St Ignatius Church	£ 50,000.00
Heritage Lincolnshire (extension)	Old King's Head	£ 200,000.00
Romsey & District BPT (extension)	Bargain Farmhouse	£ 300,000.00
Delapre Abbey Trust	Delapre Abbey	£ 200,000.00
Romsey & District BPT	Bargain Farmhouse	£ 75,750.00
Sub-total		£ 2,154,877.00
Northern Ireland		
Conway Mill (extension)	Conway Mill	£ 396,438.00
Sub-total		£ 396,438.00
Scotland		
David Livingstone Trust (extension)	Shuttle Row	£ 500,000.00
North East Scotland Preservation Trust	Cashflow loan	£ 76,500.00
Willow Tea Rooms Trust (extension)	Willow Tea Rooms	£ 73,530.00
Sub-total		£ 650,030.00

Wales			
Spitalfields Historic Buildings Trust	Caerwent House	£	150,000.00
Cardigan BPT (extension)	Market Hall	£	199,873.00
Spitalfields HBT (extension)	Caerwent House	£	550,000.00
Sub-total		£	899,873.00
Offers not proceeding			
Falkland Stewardship Trust	Moncrieff House	£	150,000.00
	TOTAL OFFERS	£	4,251,218.00

Fig 3. Loan offers (including extensions) by country



To continue to enable us to meet some ongoing demand in England, we were very pleased to be awarded a grant from Historic England, to begin in 2023/24. This grant of £417,151 provides for a support and advisory team and also an early-stage grants budget.

In Wales, we continued our new funding arrangement with Cadw which, together with funding from The Pilgrim Trust and the Garfield Weston Foundation, has seen our grants programme expand to more than £350,000 in this year. We are extremely grateful to Cadw, The Pilgrim Trust and the Garfield Weston Foundation, whose partnership made possible our Heritage Transformed in Wales programme. From 23/24 onwards, this programme will be funded exclusively by Cadw.

During the 22/23 year, the Garfield Weston Foundation, The Pilgrim Trust, and the Department for Communities Historic Environment Division (NI) also supported the delivery of Heritage Transformed in Northern Ireland. This programme sat alongside the Village Catalyst partnership scheme, funded by the Department for Communities and the Department for Agriculture, Environment and Rural Affairs. Over the last two years, the delivery of these programmes alongside each other has led to a significant increase in funding awards across Northern Ireland, and we continue to develop a pipeline of projects to meet the funding opportunities currently available.

The William Grant Foundation has been a partner of the AHF for a number of years now; it was therefore fantastic to receive the news that they were awarding us a further £220,000 for two more years from 23/24, in support of the Tailored Support Fund in Scotland. This fund enables us to fund elements of projects that some of our restricted funding does not allow for, or for projects where the building's

community significance has not yet been recognised by statutory listing. Borrowdale School is a good example of a historic but currently unlisted building that the fund has enabled us to support, as the local community seeks to convert it into environmentally sustainable, affordable housing.

For the past couple of years, AHF’s Investment Team has been seeking new loan finance to help us meet growing demand from organisations, and last year saw the near completion of a deal with an ethical bank to bring in new debt finance to the Heritage Impact Fund. Unfortunately, the increasing cost of borrowing debt finance meant we had to pause those negotiations. Despite this, we still intend to grow the HIF and, subject to the finance being affordable, the demand from projects certainly continues. We hope to negotiate alternative HIF funding over the next couple of years, and at the same time we have begun a number of conversations with funders around a [new blended finance](#) fund and also funding for energy efficiency investments.

The AHF’s support and funding has again been demonstrated to be instrumental in assisting organisations to win funding from the UK Government’s Community Ownership Fund (COF). Around 25% of successful COF projects to date had received early-stage funding from the AHF. The AHF is now a specialist partner in the consortium advising organisations on their Community Ownership Fund applications.

Objective 2: Support community-led heritage regeneration by assisting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings.

Fig 4.

KPI	Result
Deliver high-quality advice and support to charities and social enterprises developing historic building projects (UK wide).	Met. All funding recipients report either Satisfaction or High Satisfaction with our support.
Re-Plan: A minimum of eight organisations supported during 22/23.	Met. Eight organisations supported during 22/23.

It was another year of seeing incredibly ambitious and varied projects come forward for funding.

With much of the AHF’s loan capital committed, fewer new loan offers were made in 2022/23 than in recent years – however, a number of new loans were offered, and some projects required increases or extensions to existing loans. New Heritage Impact Fund loans included £200,000 for Delapre Abbey in Northamptonshire. The loan will support the cash-flow requirements of the charity as it develops the capital works to re-purpose the 19th- century Stables, Gardener’s Cottage and Lodge at Abbey into 16 individual units to be let out to well-being organisations. The project had also been supported by an earlier AHF development grant, which funded a masterplan for the site.

We also supported North-East Scotland Preservation Trust with a working capital loan, through the endowment fund, for just over £75,000 as that organisation further develops a number of projects in the region. These include the recently completed capital project at the former John Trail Bookshop, which is now a hotel, The Stag and Thistle.

Elsewhere in Scotland, Clydesdale Rowing Club completed the capital phase of the West Boathouse project in Glasgow. Following the completion of conservation works, they drew down their working capital loan of £100,000, which will assist them in developing a sustainable future for the building as a new rowing hub for the city. The elegant Grade A-listed Port House in Jedburgh also completed its capital phase, which had been supported by a development grant and loan investment of £100,000.

In Northern Ireland, the Village Catalyst scheme, focused on the revival and repurposing of historic buildings in rural communities to tackling rural poverty and social isolation, wrapped up its four pilot projects (now operational) and continued to make new awards. These included early-stage grants to a range of buildings, from banks to memorial halls, to enable them to play a renewed role in their rural communities once again. There was a total of eleven awards to Village Catalyst schemes in 2022/23.

We were also pleased to see the award of £464,000 from The National Lottery Heritage Fund to the hugely exciting Riddel's Warehouse project in Belfast. The AHF has supported this project since 2014, awarding Hearth Historic Buildings Trust four early-stage grants, a Heritage Impact Fund loan and, most recently, a Capital Works Grant towards urgent conservation work. This funding will assist essential repairs that should ensure the building is no longer at risk of loss.

Scotland saw a raft of new grant awards thanks to our ongoing partnerships with Historic Environment Scotland and the William Grant Foundation. These included awards to the Dalbeattie Community Initiative to advance plans to transform the former Dalbeattie Primary School into 'Rocks and Wheels', an exciting new £5m Activity Centre and 60-bed hostel. We also made a £15,000 award to the Ridge CIC in Dunbar for 86-88 High Street in the centre of the town. That project will provide further training opportunities for the charity's award-winning skills programme and lead to the creation of new affordable housing and lettable holiday flats, along with a workspace on the ground floor.

In England, the final grant and community shares commitments were made under the Transforming Places through Heritage programme. Nearly £14m in grants have been committed since the programme launched in 2019, and grants this year included those to Selsey Pavilion in West Sussex, which will become a cultural hub, cinema and performance space. The Pavilion was recently awarded a major NLHF grant, once again demonstrating the role of our early-stage funding in helping organisations make bids for larger funding pots. Redruth Former Library CIC was also awarded a grant of £33,345 to help turn the library building into a cultural hub, with a plan to house training services for young people, a community-run café, performance and residency spaces. A number of capital projects also opened their doors for the first time during the year, including the Lancashire and Yorkshire Bank in Bacup, a project that we have funded since acquisition. The building, which was been developed by Valley Heritage, a Heritage Development Trust, opened in October 2022 as a new workspace with four affordable flats for local young people.

Over in Wales, a number of Capital Works Grants were awarded thanks to funding from Cadw. These included an award to Machynlleth Town Council for the Old Stables and Coach House project, which will see the building, formerly part of an estate owned by the Marquess of Londonderry, conserved and adapted into accommodation and facilities for mountain bikers, walkers and other outdoor enthusiasts – a fast growing contributor to the local economy. Another high street and cultural facility funded during the year was Theatr Soar in Merthyr Tydfil, which is seeking to expand on its successful model by adding more youth-focused activities. Our development grant helped that charity to appoint a professional team to further their plans for its expansion.

Objective 3: Increase the effectiveness and impact of the AHF, ensuring we continue to deliver value for funders and the organisations and projects we invest in.

Fig 5.

KPI	Result
Develop new AHF Strategy 2023-28	Met. Signed off in March 23.
Recruitment of new Chair	Met. Ros Kerslake appointed in September 2022.

Governance changes during the year included the arrival of Ros Kerslake CBE as Chair in September 2022. Ros brings an enormous amount of experience in heritage-led regeneration, property, and public, private and third-sector funding, and has helped shape the organisation’s new Strategy for 2023-28.

Carole-Anne Davies, our trustee for Wales, stepped down during the year, and we are very grateful to her for the support she gave to the AHF’s work, not only in Wales but across the UK. To replace Carole-Anne, we appointed Menna Jones as our new Trustee for Wales. Menna has worked in the social enterprise sector for the last 30 years and was formerly Chief Executive of Antur Waunfawr, a social enterprise in North-West Wales for 27 years, until joining Bardsey Island Trust as the Development Manager for the island. Menna’s experience in managing and leading social enterprises, as well significant development experience in projects involving historic buildings, will be immensely beneficial to the organisation.

One of the major pieces of work during 2022/23 was the interim evaluation of the AHF’s progress in delivering its 2020-23 Strategy, which helped inform the new strategy for the organisation. The evaluation evidenced very high applicant satisfaction ratings and attributed significant impacts to the role played by AHF advice and funding in advancing historic building projects. The evaluation also looked at the AHF’s work from the perspective of Equality, Diversity and Inclusion (EDI), with one of the significant developments out of that process being the development of new assessment criteria for grant and loan applications. This, for the first time, assesses applicants in terms of their proposal’s impact on EDI outcomes. We also signed up to the Diversity Forum’s [Diversity Manifesto](#) and joined the Forum’s Steering Group. This commits to us to proactively engaging with several priorities for the social investment sector that build on the five EDI commitments we agreed back in 2021.

Objective 4: Promote the impact and benefits of community-led regeneration and ownership of historic buildings, to government, communities and funders.

Fig 6.

KPI	Result
Deliver interim evaluation, including EDI evaluation, of the AHF's 2020-23 Strategy	Met. Completed in September 2022.
Publish Year 3 Transforming Places evaluation report, including HDT pilots evaluation	Met. Completed in November 2022.

During the year we published, alongside the Department of Communities, a research report, on the potential for the increased utilisation of 'heritage-enabled' regeneration in Northern Ireland's 'mid-sized' towns. The report, produced by Ruth Flood Associates, examined the specific needs as well as the potential for heritage-enabled regeneration to drive new approaches to revitalising Northern Ireland's towns through the adaptation, reimagination and locally driven reuse of historic buildings. We are using the findings to make the case for new programmes within Northern Ireland that focus on this scale of settlement and some of the approaches recommended by the report, including increasing funding for housing schemes that involve the reuse of historic buildings.

The interim evaluation of the Transforming Places through Heritage programme was also produced to coincide with the end of the programme, the findings of which have been very encouraging. At the same time as evidencing the effective delivery of the programme by the AHF, the report found that the programme had already delivered significant impacts for high street and heritage-led regeneration. The report also provides evidence for the economic benefits of investing in charity and social enterprise-led projects, with the programme producing an economic benefit cost ratio of 1.92 (i.e. for every £1 invested in the programme, it returned £1.92) and a total benefit cost ratio of 3.38. We will be using these positive findings to make the case to government for further funding into programmes like Transforming Places through Heritage, particularly as the challenges facing heritage assets and high streets remain evident across the country.

We also reached the mid-point of delivering the Heritage Impact Fund, which launched in 2019. Despite the significant challenges brought about by the pandemic, the fund has delivered well against its Key Performance Indicators and is on track to deliver in full over the lifetime of the fund.

Fig 7: Headline HIF KPIs

KPI	Performance
A minimum of 5 loan offers in any 12-month period (April to March)	Achieved in excess of target over first two years, the pandemic having affected the last two years: Year1 – 16 offers; Year 2 – 8; Year3 – 4; Year4 – 3.

	For Year 5 (from April 23) – two new loan offers made to date. <u>Status: On Track</u>
A minimum of 40-50 loan offers made by the end of the fifth year of the fund (to be extended by 12 months due to the pandemic)	33 offers made to date. <u>Status: On Track</u>
Applicable write-off rate of 20% not exceeded	Currently 0% <u>Status: On Track</u>

Fig 8: Project level KPIs

HIF KPIs	Achievements as at March 2023
Organisations which have acquired long-term rights in historic buildings	17
Historic buildings repaired and re-used by not-for-profit organisations	15
New FTE jobs created	64
New training opportunities created	276
New volunteering opportunities created	541
Commercially run and not-for-profit businesses operating from re-used historic buildings	11 commercially run organisations 6 non-profit organisations
Organisations have greater confidence in their organisation	16
Number of clients having received RePlan support service	27

5 Our portfolio – case studies from across the UK

Maenofferen Slate Mills

Blaenau Ffestiniog, Gwynedd, Wales

Slate Heritage International

*Grade II**

Multi-use future for former slate mills

The twin slate mills on the Maenofferen level form part of a major slate quarry near the town of Blaenau Ffestiniog. The mills are Grade II*-listed: an exceptional survival of a largely unaltered slab mill built between 1870 and 1897. Originally water-powered, the mills were converted to electric power in 1906. For generations, they were a centre of employment and prosperity for the local community. Later in the 20th Century, the buildings were withdrawn from use and fell into disrepair.

Slate Heritage International plans a mixed-use approach to the restored slate mills which embrace the site's industrial heritage to include traditional skills employment, visitor destination, tours, and accommodation. Project plans include recommencing slate-dressing on site and creating bespoke tours in partnership with other sites that make up the Slate Landscape of Northwest Wales World Heritage Site to improve access and understanding of this unique history. The project team also hopes to work with Zip World to expand the provision of adventure activities available locally, and with Plas Weunydd to add to the range of local tourist accommodation.

In 2021, an AHF Project Viability Grant explored a range of possible future uses for the mills before determining the preferred, mixed-use plans detailed above would likely form a viable business. A Project Development Grant, awarded in March 2023, is currently supporting the organisation to strengthen its governance, as well as commission specialists to oversee the initial capital works on site.

AHF Funding

Project Viability Grant - £7,500 (2021)

Project Development Grant - £19,439 (2023)

New Galloway Town Hall

New Galloway, Dumfries and Galloway, Scotland

Local Initiatives in New Galloway

Category B

Community hub in historic town hall

Since the 17th century, New Galloway Town Hall has been at the centre of civic life in what was once the smallest Royal Burgh in Scotland. The Town Hall was rebuilt in Victorian times and stands on the High Street; an imposing, elegant white building with a tall clock tower complete with chiming clock. Internally, a large upper hall benefits from a high vaulted ceiling and features a series of Victorian moral maxims, which run around the top of wood panelling. The Hall was formerly the seat of local government

and was held under 'common good' for this purpose. However, since the restructuring of local government, the local authority was less able to continue upkeep of the building.

When the Hall was boarded up, a community-led group, Local Initiatives in New Galloway (LING), took on responsibility for its operation as a space for community activities. Having run the building for a few years, LING was able to make a case for acquisition under the asset transfer process. The group took ownership in 2022, the timing being influenced by receipt of an offer of capital funds from the Community Ownership Fund (COF) – this was one of the earliest projects in Scotland to receive COF funding. However, community use of the building was compromised by poor heating and access issues. With ownership of the building secured, therefore, LING turned its attention to repairing and improving the Hall.

The AHF first supported this project in 2018, awarding LING a Project Viability Grant towards a feasibility study. In 2022, the AHF also provided critical support to help with capacity – a part-time Project Manager was able to drive the project forward in the necessary timescale. External repairs, a heating upgrade and the installation of a new lift were all completed in the summer of 2023, securing the building's future as a flexible hub for community activities in this rural area.

<https://newgallowaytownhall.com/>

AHF Funding

Project Viability Grant - £5,000 (2018)

Project Development Grant - £10,000 (2022)

Project Development Grant - £5,000 (2022)

West Boathouse

Glasgow Green, Glasgow, Scotland

Glasgow Building Preservation Trust and Clydesdale Amateur Rowing Club

Category B

Edwardian boathouse on the River Clyde repaired and adapted for enhanced future use

The Category B-listed West Boathouse was designed and built as a timber-framed structure by Glasgow Corporation Architect, A.B. MacDonald. Clydesdale Amateur Rowing Club and Clyde Amateur Rowing Club have occupied the boathouse since it was built in 1905. Both rowing clubs have been holding regattas and training events on the River Clyde for over 150 years, as well as providing training facilities for rowing teams and champions, including Olympic medal winners. Despite remaining in active use by the rowing clubs, by the 2010s the boathouse was in poor condition.

Glasgow Building Preservation Trust and Clydesdale Amateur Rowing Club have been working on a project to repair and adapt West Boathouse from broader community uses. As part of the full restoration of the building, substantial works were undertaken, including rebuilding the first-floor balcony, inserting new concrete foundations, installing the new cladding and using state-of-the-art conservation techniques to ensure the longevity of the delicate timber structure. Works were also undertaken to increase accessibility within the boathouse, including the addition of a lift and accessible changing facilities. Further, a new gym, rowing training facility and multi-use spaces have been developed within the building.

Initial viability and development phase work for this project, including a heritage appraisal, business case, condition survey, consultant fees, and conservation reports, was supported by Project Viability and Project Development Grants from the AHF. Once conservation work had been completed, the AHF also provided loan investment to support Clydesdale Amateur Rowing Club with fit-out as they moved back into the boathouse. West Boathouse re-opened in May 2023, with both the Clydesdale and Clyde Amateur Rowing Clubs moving back into the building alongside the Strathclyde University Rowing Club, offering enhanced facilities and a new programme of opportunities for local people to engage with the River Clyde.

[Home - Clydesdale Amateur Rowing Club \(clydesdalearc.org.uk\)](http://clydesdalearc.org.uk)

[Home \(gbpt.org\)](http://gbpt.org)

AHF Funding

Project Viability Grant - £3,000 (2015)

Project Development Grant - £13,000 (2016)

Endowment Loan - £100,000 (2020)

The Chester Hydro Electric Building

Chester, England

Chester Heritage and Sustainability Enterprises CIC (CHASE)

Grade II

To convert a disused hydroelectric station into use as an environmental educational hub

The hydroelectric station was constructed on the site of the 13th-century Dee Mills. Built in 1913 in red sandstone as a neo-gothic structure to match the Dee Bridge and located between two main shopping streets in Chester city centre, it is the only hydroelectric plant in England that has generated power with both tidal and headwaters. The Chester Hydro stopped producing power in 1951. It is currently owned by Cheshire West and Cheshire Council, with a long lease held by United Utilities, which has not occupied the building since 2015.

Cheshire Historic Buildings Preservation Trust initially applied for a grant from the AHF to help them explore the possibilities around a response to the climate emergency as a role for the Hydro. They carried out a viability study, also supported with funding from the local council. They also looked at the condition of the building, established estimated costs, carried out a community consultation, and did an options appraisal of various end uses of the hydro, developing an initial business case to see if the project could become self-sustaining in the long term. The study concluded that the project had the potential to be sustainable, and the Trust then took the decision to create a separate organisation to move the project forward. They brought together a range of suitable and enthusiastic individuals and stakeholders to form Chester Heritage and Sustainability Enterprises CIC (CHASE).

CHASE intends to convert the building into a careers, education and heritage attraction to enable residents and visitors to learn about both the history of the site and the River Dee and the future of low-carbon industry. The turbine hall will become the hub of the centre with a range of interpretive and interactive displays and educational resources. A new-build glazed structure on the roof, meanwhile, will house a multi-purpose room for seminars, events and pop-up hospitality. CHASE is presently looking at

the prospects of re-introducing an element of hydro power generation for the project while progressing discussions to enable CHASE to take over the building and deliver the project with support from a range of partners.

The project viability reported considered different operating models, ultimately suggesting that a mix of charges for services would be most effective to secure the long-term future of the Hydro. CHASE are working with key stakeholders, including the University of Chester, industry and learning and skills providers to make this potential a reality.

Website: www.hydro-hub.uk

AHF Funding

Project Viability Grant - £ 14,550 (2020)

Project Development Grant - £39,960 (2022)

Delapré Abbey

Northampton, Northamptonshire, England

Delapré Abbey Preservation Trust

Grade II*.

Historic Northampton site opens to the public

Delapré Abbey is a historic house and park. The main house is largely 16th-century but incorporates the remains of the 12th-century Abbey of St Mary de la Pré. The site itself is important as the location of a major battle in the Wars of the Roses, the Battle of Northampton (1460). During the Reformation, the Abbey was surrendered to the Crown and became a grand home. By the 1950s, the building was owned by Northampton Corporation, disused and under threat of demolition, but after a successful fundraising and political campaign, the building was saved and to the Northamptonshire Record Office relocated here.

In 2006, Delapré Abbey Preservation Trust was formed to restore and open the Abbey to the public. After a period of restoration, the Abbey began welcoming visitors in 2018. As well as the house itself, the site includes gardens, a park, and numerous outbuildings. The Trust runs a varied programme of well-being, educational, and cultural events and activities.

The AHF awarded the organisation a 2020 grant from the Culture Recovery Fund supported the development of an options appraisal and fundraising strategy for the disused Victorian stables to become a health and well-being hub. A Project Development Grant awarded in 2021 contributed towards a masterplan for the project, and in 2023, the AHF offered the Trust a loan of £200,000 to provide working capital to further develop the Stables project.

<https://delapreabbey.org/>

AHF Funding

Culture Recovery Grant - £19,250 (2020)

Project Development Grant - £8,000 (2021)

Heritage Impact Fund Loan - £200,000 (2023)

The Old Cathedral School

Derry, Londonderry, Northern Ireland

In Your Space Circus

Grade B+

Transforming a Victorian school building into a flagship circus arts venue for Derry

Built in the Flemish Gothic style in 1891 to the designs of local architect, John Guy Ferguson, the former Cathedral Primary School is located in the Historic City Conservation Area and the Cathedral Quarter of Derry. With St Columb's Cathedral as its striking backdrop, the School is one of just five buildings that exit directly onto the old city walls. Until the early 1990s, it provided a space for education, social activities and community life. However, after the school community merged with Carlisle Road and First Derry to form the Fountain Primary School, the building lost its use and fell into disrepair.

In Your Space Circus (IYSC) is a circus school and performance company, which plays a key role in the cultural landscape of Derry city and the region. Both IYSC and St Columb's Cathedral are keen to breathe life back into the former Cathedral School and regenerate it as a circus school and performance venue, offering a space in which young people, adults and artists can learn, play and create. It is hoped that the historic building will become a flagship circus arts venue for Derry, with a key focus on circus education, lifelong learning, good relations, health and wellbeing, street theatre development and collaborative arts practice.

An AHF Project Viability Grant, awarded in 2022, funded a conditions survey and enabled IYSC to engage with an architect to carry out drawings and obtain overall construction costs. With the support of a development grant from the National Lottery Heritage Fund, IYSC is now working to develop organisational capacity and initial plans needed to inform the restoration.

[In Your Space Circus - New Home For IYSC!! \(inyourspaceni.org\)](http://inyourspaceni.org)

AHF Funding

Project Viability Grant - £8,040 (2022)

30 Chapel Street

Bradford, West Yorkshire, England

Impact Hub Bradford

Grade II

Former merchant's warehouse to be transformed into multi-use space for artists, makers and businesses

Dating back to the 1870s, this former merchant's warehouse is typical of the Little Germany Conservation Area in Bradford, which has the highest concentration of Grade II-listed buildings in the country. The 'Little Germany' area, named for the large number of European merchants who set up businesses there in Victorian period, is characterised by multi-storey warehouses built in an Italianate Palazzo style during the textile boom between 1850-90. The Chapel Street warehouse spans four floors, with an attractive frieze and cornice details, and retains original features such as open-plan floor plates and basement openings. Having been vacant since the 2000s, repairs are now required to substructures and the roof, as well as internally.

The project will bring the building back into use as a multi-purpose facility for innovators, makers, artists, designers, and community businesses. Impact Hub Bradford will provide co-working space, studios, performance facilities, and a café, as well as space for retail and artisanal food offerings, training and events. Alongside this, Impact Hub will run programmes of support, including workshops, mentoring, knowledge sharing and consultancy, to support the establishment and growth of local entrepreneurs and businesses.

In 2018, Impact Hub Bradford was awarded an AHF Project Viability Grant to help fund a viability study. An AHF Project Development Grant, awarded in 2022, is being used towards professional fees, including architects, a surveyor, and a structural engineer, and will also fund community consultation to inform further development of the project.

<https://bradford.impacthub.net>

AHF Funding

Project Viability Grant - £7,500 (2018)

Project Development Grant - £50,000 (2022)

Market House

Penzance, Cornwall, England

Penzance Regeneration Company Limited

Grade I

Landmark town centre building brought into public ownership

Market House was completed in 1838 to the designs of Harris of Bristol. It is a large domed granite building; the dome, with its octagonal lantern, can be seen from miles around. Located on the town's main thoroughfare, Market Jew Street, the building reflects Penzance's history as the market town for

West Penwith (Market Jew is derived from the Cornish Margas Yow, meaning Thursday Market). The building's size and grandeur reflect a town which amassed significant wealth exporting tin and copper, and which became an important trading port. In 1867, the council chambers moved to a new building, with the eastern portion of the building being used variously to house the Penzance grammar school and then small retail units. This portion of the building has now been vacant for over 10 years. In 1925, Lloyds moved into the west portion of the building, where it remains today. The building was purchased by Penzance Regeneration Company Limited (PZRC) in August 2022.

PZRC was established to assist, promote, encourage, develop, and secure the regeneration of the social, physical and economic environment of Penzance and Newlyn. The initial activities of PZRC are to deliver the development of four specific projects, for which funding has been secured through Towns Deal and Future High Streets funds; the Market House is the landmark Towns Deal project. The project aims to renovate and bring the east side of Market House back into use, with the west occupied by Lloyds as a tenant. The first and upper floor will house a food hub accommodating three street food providers and 59 covers. The lower floor will house a town hub, including hotdesking and office space for a number of local organisations.

In 2022, the AHF awarded PZRC a Project Development Grant, which will enable the group to develop the project to RIBA 2, thereby enabling the subsequent phases to be taken forward to the programme required by the Towns Deal spend deadline in 2026.

AHF Funding

Project Development Grant - £30,000 (2022)

Dunoon Burgh Hall

Dunoon, Argyll & Bute

Dunoon Burgh Hall Trust

Category B

Creative arts hub in historic town hall

Opened in 1874 to celebrate the conferring of Burgh status on the town, Dunoon Burgh Hall was built to provide the local community with a public hall, municipal offices, and the first theatre in Argyll. Over the last 150 years this Category B-listed Scottish Baronial landmark has hosted public dances, council meetings and many other local events.

By the early 2000s, however, the Hall was at risk of being demolished, and the community came together to rescue it and take ownership. The first phase of works were urgent repairs that allowed the building to reopen for community use, while following phases gradually brought vacant spaces back into action to create a multi-functional arts hub. The Hall now provides space for live performances, community events, workshops, and artists' talks, with an exhibition gallery and popular café. The venue is attracting touring companies and offers an annual programme of events, including dance and drama opportunities from professional theatre companies, as well as a learning programme for children and young people.

The AHF has supported transformation of Dunoon Burgh Hall since 2010, initially through an Historic Environment Scotland (HES)-supported Project Development Grant. This was later followed by loan investment, which provided working capital, along with additional funding from the National Lottery Heritage Fund, Creative Scotland and HES, towards the £3.5m refurbishment – which together delivered enhanced facilities, such as an improved café/bar and new office accommodation. More recently, Dunoon Burgh Hall Trust have also been receiving help from Replan, the AHF’s post-investment capacity-building programme, towards business planning and outreach. In 2022, the AHF also supported the project through its William Grant Foundation Tailored Support Fund to help towards the costs of some emergency repairs and remedial capital works.

Through the restoration of the building, Dunoon Burgh Hall Trust has created a thriving community arts hub. Over the last few years, the Trust has delivered a varied and diverse programme of activities and events, as restrictions allowed, and has consequently been able to repay its AHF loan investment. These funds can now be recycled to support more Scottish projects in achieving the same fantastic community-led regeneration and success as the Dunoon Burgh Hall Trust.

<https://www.dunoonburghhall.org.uk/>

AHF Funding

Project Development Grant - £23,000 (2010)

Endowment Fund Loan - £175,000 (2014)

WGF Tailored Support Fund Grant - £23,000 (2022)

11 High Baxter Street

Bury St Edmunds, Suffolk, England

Bury St Edmunds Town Trust

Grade II

Bringing a grade II-listed town house back into residential use.

The house on High Baxter Street, located within the historic Town Centre Conservation Area of Bury St Edmunds, is a singular survivor of what was once a whole row of 15th- to 18th-century town houses along High Baxter Street. By the mid-twentieth century, only number eleven remained. Number 11 was bought in the 1970s to be used as staff accommodation by the Suffolk Hotel, but a modernisation covered up much of its historic fabric. By the 2010s, the house was in a very poor state of repair.

Bury St Edmunds Town Trust, a longstanding building preservation trust, purchased the badly dilapidated house in 2019, realising its significance as probably the last remaining unrestored building of medieval origin in the town centre. The Trust has undertaken numerous projects around the town to deliver preservation of heritage buildings for the benefit of the local area and the community. For this project, the Trust worked to bring 11 High Baxter Street back into use, constructing a new brick and timber rear extension to add additional space, and reducing its carbon footprint with the installation of an air-source heat pump and solar panels. Conservation work and traditional craft skills have preserved existing joinery where possible, including windows. Additionally, natural breathable material has been used for

insulation, improving the thermal efficiency of the house. Lime plaster and renders have been returned throughout the building.

The 11 High Baxter Street project also offered an opportunity to continue the Trust's existing partnership with a local Further Education college, delivering on-site opportunities for architecture and construction students. Despite the restrictions during the covid pandemic, the Trust continued to work with the college and held a number of public open days and lectures while works were underway on site. A 2018 Project Viability Grant enabled the Trust to explore the condition of the building and the future options for its use. Through subsequent Heritage Impact Fund loan investment, the Trust was able to undertake the full restoration project. Works to the house were completed in early 2023, and the Trust has now been able to repay the AHF loan investment, putting the house up for sale as a residential property for a lucky future owner.

[Bury St Edmunds Town Trust](#)

AHF Funding

Project Viability Grant - £4,076 (2018)

Heritage Impact Fund Loan - £230,000 (2020)

Equatorial Observatory

Penllergare, Swansea, Wales

The Penllergare Trust

*Grade II**

New future for historic astronomical observatory

Constructed in 1846 by John Dillwyn Llewelyn, a pioneering photographer with interests in science and astronomy, the Equatorial Observatory is both a Grade II*-listed building and a scheduled ancient monument. Situated in Penllergare Valley Woods, the building consists of two rooms – the observatory and laboratory. The observatory is a cylindrical tower comprising a circular stone-built telescope chamber while the adjoining laboratory is a single-storey rectangular structure with a vaulted roof, interior terracotta block walls and a fireplace. In 1855, one of the earliest photographs of the moon was taken from the observatory by Llewelyn and his daughter, Thereza.

The Penllergare Trust exists to conserve, restore and maintain the historic and significant Penllergare Valley Woods. Working in partnership with Dark Sky Wales, the Trust plans to fully restore the Equatorial Observatory and create a planetarium in the tower. Alongside interactive displays highlighting the history of the building and its role in early photography, a programme of activities will be curated and delivered to schools, young people, and the growing astro-tourism sector. Educational visits to the observatory will link to the new national curriculum in Wales, with a focus on local history and STEM subjects, including space.

The AHF has supported The Penllergare Trust with two Project Development Grants, awarded in 2022 and 2023 respectively. These contributed towards staff costs to coordinate the development phase of the project and helped the Trust to commission a team of professionals to complete investigative surveys and a business plan.

[Penllergare Observatory - Penllergare Valley Woods](#)

AHF Funding

Project Development Grant - £18,248 (2022)

Project Development Grant - £19,910 (2023)

6 Financial review

a. Financial overview

2022/23 was the final year of the Transforming Places through Heritage (TPtH) programme in England. As the programme was structured to wind down, the budget was only £2m compared with £4.8m in the previous year, and this was the main factor driving the overall 42% reduction in income compared with 2021/22. In the rest of the UK, we secured and delivered funding for our core programmes in Scotland, Wales, and Northern Ireland, at a similar level to the previous year.

We used a broader range of short-term deposits and investments for any cash not immediately required and this, together with the higher interest rates and bond yields, led to a 71% rise in investment income this year. Interest from our disbursed loans, our primary source of unrestricted income, also increased 13% this year. While our managed investment portfolio did realise some gains in 22/23, these were outstripped by unrealised losses in the year; we hope to recoup these losses in the future.

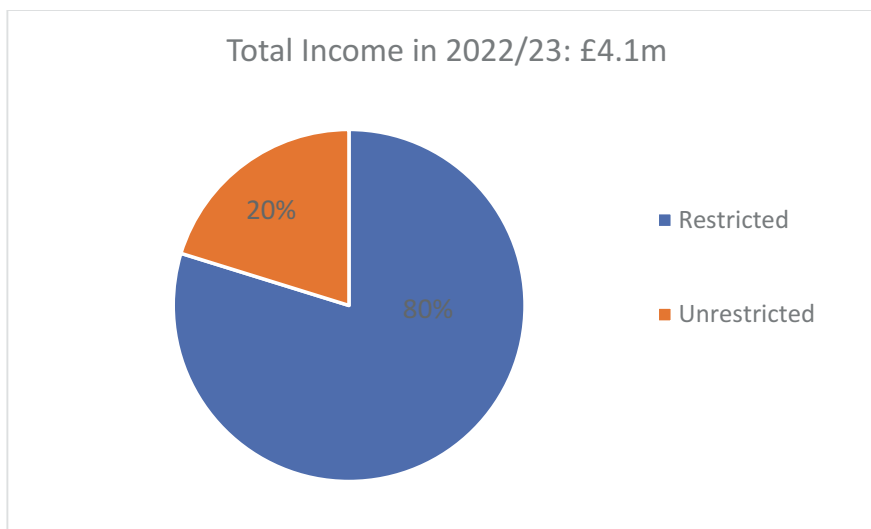
The tapering activity towards the end of the TPtH programme also meant a £2.86m reduction in grant making expenditure, which was the primary reason for the 38% reduction overall in charitable activities expenditure compared with 2021/22. However, within this overall reduction there was increased spend in loan-related areas, due to a net increase in the bad debt provision and £70,000 of pro bono legal fees provided to the AHF in relation to the Heritage Impact Fund, the latter being included under both income and expenditure.

There were also fewer, smaller, HIF loans disbursed this year compared with several high-value HIF loans disbursed in 21/22. Demand, however, remained strong, with just over £2m in HIF loan commitments as at the year-end (compared with £2.8m in 2022). Endowment lending activity was broadly consistent with last year with year-end commitments of £1.3m (2022: £2.1m).

The difficult economic climate of 2022/23 also impacted our staff, and we took measures to help mitigate the cost-of-living challenges they faced. In the coming year, we will continue to manage our overheads carefully and focus on generating sufficient unrestricted income to support our core costs, which includes several staff who are not funded by external grants.

Income

Fig 9. Total income



Total income for the year ended 31 March 2023 was £4.1m (2022: £7.1m). This represented a decrease compared to the previous year, which was fully anticipated and due to significantly less funding being allocated to the final year of the TPtH programme.

The £2m TPtH funding we received this year (2022: £4.8m) from the Department for Digital, Culture, Media and Sport (via Historic England) enabled the continued delivery of a wide range of grants and social investment, alongside capacity-building activities and support from our team of Programme Officers and Consultant Project Advisors.

Additionally, £0.5m (2022: £0.5m) was received from Historic Environment Scotland and Scotland grant-making was also further supported by £107,000 from the William Grant Foundation's Tailored Support Fund.

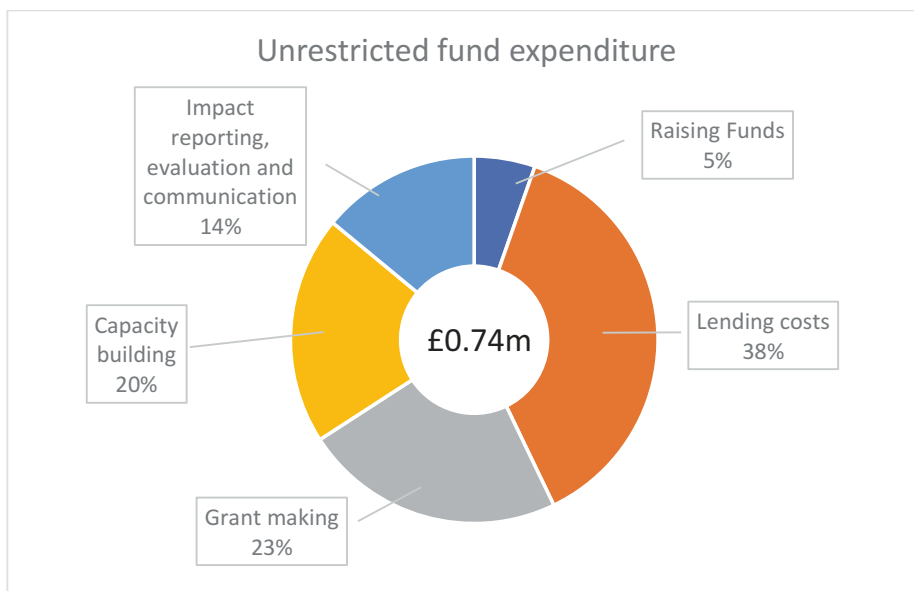
The AHF Grant programmes and Support Officers in Wales and Northern Ireland were funded by £0.7m (2022: £0.7m) from Cadw, the Historic Environment Division of the Department for Communities in Northern Ireland, the Garfield Weston Foundation, and The Pilgrim Trust.

Unrestricted income was £143,000 higher than 21/22 due to several factors, including improved returns on our investments and cash deposits, and the £70,000 in pro bono legal services provided to the Heritage Impact Fund (HIF), which are included as a corporate donation.

Expenditure

Total expenditure on charitable activities and raising funds was £4.2m (2022: £6.9m). Again, this decrease was expected due to the reduction in grant-making activity in the final year of the TPtH programme. Grant making outside England continued at a similar level to 21/22 with Northern Ireland seeing increased grant offers compared with the previous year.

Fig 10. Unrestricted fund expenditure

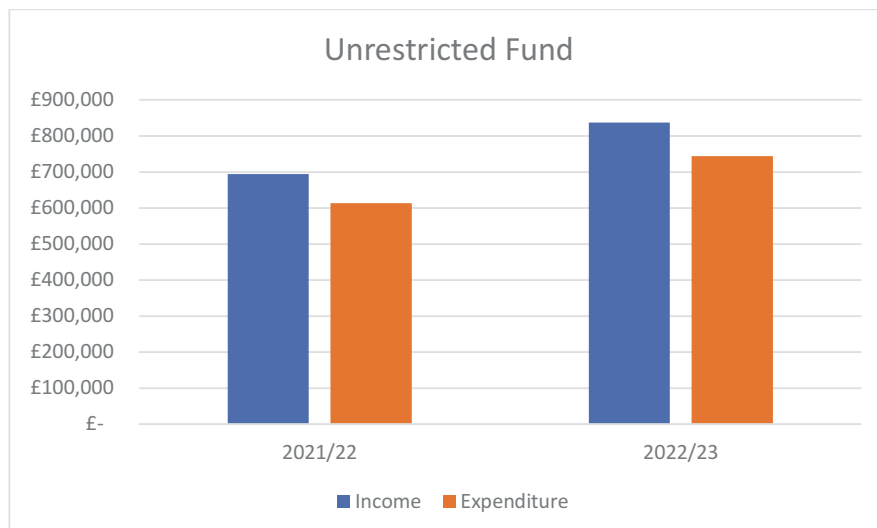


Unrestricted expenditure on charitable activities increased overall to £0.7m (2022: £0.6m). Several factors contributed to this increase, including a rise in staff and related costs as additional pay awards

were made during the year, and the pro bono HIF legal fees, which are included under other loan-related activities.

The AHF once again contributed £5,000 (2022: £5,000) towards the Heritage Trust Network’s conference.

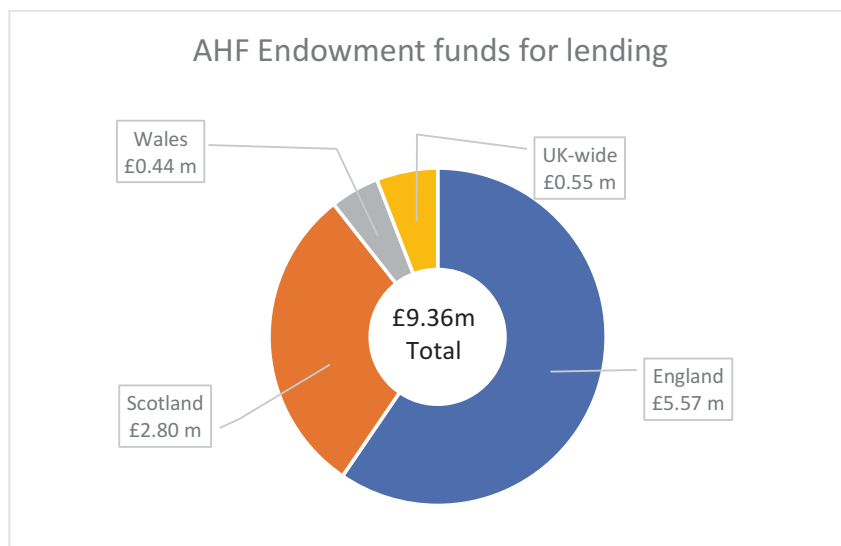
Fig 11. Unrestricted fund income and expenditure



Funds

The AHF’s total charitable funds reduced by £0.3m (2022: £0.3m increase) to £17.3m (2022: £17.6m) of which £16.6m constituted the AHF’s lending resources (2022: £17m).

Fig 12. AHF Endowment funds for lending



The Endowment Fund increased by £34,000 (2022: £1.9m decrease); this figure comprises a £150,000 benefit due to the reduction in the Fund’s bad debt provision, which was eroded by £117,000 of investment losses.

The restricted fund decreased by £429,000 (2022: £2.15m increase, including £2m fund reclassification) mostly due to the £358,000 increase in the Heritage Impact Fund (HIF) bad debt provision and £78,000

investment losses, offset by some funding carried forward for spending in future years. Of the £5.8m held at the year-end, £5.7m represents the cumulative HIF lending funds contributed by our external partners.

The unrestricted fund achieved a surplus of £93,000 (2022: £81,000) before investment losses of £23,000 (2022: £33,000).

b. Remuneration

Pay

The AHF believes in recruiting high-calibre people. We are also committed to rewarding staff fairly for the jobs that they do and fostering a positive working environment. We believe our salaries and our terms and conditions reflect this.

Salaries, including pay awards, are set, and reviewed annually by the AHF's Board of Trustees. The review takes account of a number of factors when determining the recommended pay award for staff.

In April 2022, all employees were awarded a 2.7% pay increase. In October 2022, in recognition of the increased cost of living and following a review of the approaches of other organisations, all employees were awarded a further 2.3% pay increase and, also, a one-off payment of £500 was awarded to all staff except the Senior Management Team. We also introduced annual homeworking payments of £312 for all home-based and hybrid employees.

During the year, the highest paid member of staff was in the £80,000 - £90,000 band (2022: £80,000 - £90,000 band). The ratio between the highest paid salary and the median AHF salary of £38,010 (2022: £36,200) was 2.4 (2022: 2.4).

Pensions

The Charity offers employees the opportunity to join its discretionary retirement savings scheme, a Group Personal Pension Plan provided and administered by The Prudential Assurance Company Ltd on behalf of the Architectural Heritage Fund. Contributions made by the AHF to the scheme in the year totalled £64,164 (2022: £62,061).

c. Reserves

The general fund constitutes the free reserves of the charity from which running costs have to be paid. To meet these needs, the Trustees aim to hold reserves of not less than one year's expenditure, based on the average annual expenditure from unrestricted funds over the previous 3 years. Compliance with the reserves policy was met by a year-end transfer of £34,737 from the general fund to the designated lending fund (2022: £49,545).

d. Investment policy

Money not on loan is invested with an external Investment Fund Manager, Rathbone Greenbank Investments, in accordance with the Board's Investment Policy, or kept on deposit on terms consistent with financial prudence and ready accessibility. Net losses on investments across all funds were £0.2 million (2022: £0.1 million gains) and net income from investments and bank deposits for the year amounted to £144,230 (2022: £84,192).

e. Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

As part of the going concern review, the Trustees reviewed detailed budgets and cash flow forecasts to 31 March 2025, taking into account the current challenges of rising interest rates, inflation, and energy costs, all of which will affect the organisations we support.

These factors, along with the legacy effects of the pandemic have increased the risk of bad debts from borrowers and delayed fundraising plans, and continued economic pressures are expected to exacerbate these risks further, at least in the short to medium term; however, based on these forecasts and the level of reserves available, the Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements as they do not consider there to be any material uncertainties about the charity's ability to continue.

7 Plans for the future

In April 2023, we launched our new AHF Strategy 2023-28. Our most immediate priorities in the delivery of the new Strategy will be:

- The development of a new Evaluation Plan and KPIs to support the delivery of the Strategy.
- Delivering on fundraising priorities, including securing further grant funding in England and social investment for the Heritage Impact Fund.
- Announcement of the new cohort of Heritage Development Trusts.
- Delivery of Year 1 support to the Thrive Fund and further work on energy resilience funding.
- Recruitment of new trustees to replace planned retirements.

8 Governance statement

a. The AHF's charitable objectives

The Memorandum of Association defines the AHF's charitable objects as:

- to promote the permanent preservation for the benefit of the public generally of buildings monuments or other edifices or structures of whatsoever kind and whether permanent or attaching to land or not and wheresoever in the United Kingdom situate of particular beauty or historical architectural or constructional interest;
- to protect and conserve or promote the protection and conservation of the character and heritage of the cities towns and villages in and around which such buildings monuments or other edifices or structures exist;
- to advance public education of and interest in the history of the United Kingdom and its people and thereby to promote public taste and education in and concerning the conservation of its creative heritage and the encouragement of aesthetic standards attaching to its contemporary environment.

b. The AHF's public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. As a UK-wide charity enabling not-for-private-profit organisations to save and preserve the nation's built heritage – with capacity-building programmes as well as with financial support – the AHF's public impact is significant both locally and nationally.

c. Our values

As part of the development of our new Strategy for 2023-28, the Board agreed a new set of organisational values:

Enabling

We help catalyse new approaches to the adaption, management and ownership of historic buildings.

Collaborative

We work in partnership, helping broker new relationships and are open with our thinking and learning.

Expert

We are specialists in the field of community-led approaches to the regeneration of historic buildings.

Grounded

We are a flexible and pragmatic funder, proportionate in our approach, and empathetic to the needs of small organisations.

Inclusive

We strive for the equitable distribution of our funding and advice and work closely with organisations and communities to overcome barriers to gaining our support.

d. Equality, diversity and inclusion (EDI)

We describe in the report against our objectives, under Objective 3, some of what we have been doing to deliver on our [EDI commitments](#). This year we also signed up to the Diversity Forum's Manifesto Commitments. The Diversity Forum has been created by the social investment sector to drive inclusive social investment in the UK, through the convening of sector-wide groups, commissioning research, and knowledge sharing.

A significant element of our interim strategy evaluation looked at how we were delivering against our EDI commitments and what further work or amendments to our approach might be needed. The consultants undertook in-depth research into a number of deprived areas and with some diverse-led organisations. Their findings included:

- AHF's funding was successful in attracting applications from areas with higher deprivation. The research evidenced some cold-spot areas where more might need to be done to help organisations access funding and also to undertake further outreach in areas to specific organisations.
- The research confirmed we needed to improve our data to better understand the diversity of organisations successfully and unsuccessfully applying. Better use of mapping tools was considered an important step in addressing this priority.
- For some organisations, capacity was considered the biggest barrier to successfully apply to the AHF and that we need to consider how we can assist organisations with this challenge.
- Continuing to focus on representation at Board and staff level will be important to achieving lasting equality.
- Continuing to work with partners to address the challenges and to promote funding opportunities was a further recommendation.

Actions to address these findings have been included in the Strategy 2023-28 and the organisation's Annual Plan for 2023/24.

e. Principal risks and uncertainties

The Board is responsible for ensuring that there are effective and adequate risk management and internal control systems in place to manage the major risks to which the AHF is exposed. Our Trustees discharge this responsibility through their review of the effectiveness of the AHF's risk management framework. This framework is designed to support informed decision-making regarding the risks that affect the AHF's performance and its ability to achieve its objectives. The framework also provides for a consistent approach to identifying, assessing and dealing with the risks facing the AHF so as to ensure that they do not exceed the level of risk the Board is willing to assume.

The AHF operates in a risk environment that is complex and which includes offering loan finance to organisations that cannot raise funds from elsewhere. Therefore, the framework is designed to manage, rather than to eliminate, the risks to the AHF's objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. We aim to manage risk by anticipation and avoidance, rather than by handling the consequence after the risk has crystallised.

The total value of the Heritage Impact Fund and AHF Endowment Fund can be affected by the failure of some of the AHF's borrowers to repay their loan in part or in full. Bad debts are to be expected given the risks involved in the AHF's loan investments, although the AHF seeks to minimise its potential exposure to loan losses as far as possible through its assessment and loan monitoring processes.

Provision for bad debt is made in the AHF's forward financial planning, and one of our objectives is to replenish and increase the value of the endowment fund through fundraising.

It should be noted that processes in place regarding risk management and internal control include the following:

- A comprehensive risk management framework – including a risk management policy and guidance and risk register – which addresses the Charity Commission's guidance. This consists of different stages, from understanding the risk environment through risk identification, analysis and evaluation to risk treatment.
- The maintenance of a risk register, which is reviewed regularly by the Senior Management Team and twice a year by the Audit & Risk Committee. The risk-management strategy forms part of the planning process, against which the Board reviews progress formally every year. The organisation also maintains risk registers for two of the most significant and AHF programmes, the HIF and TPtH (the organisation stopped maintaining a risk register on the latter at the end of the programme in March 2023).
- As well as the risk register, the organisation also undertakes a PESTLE (Political, Economic, Social, Technological, Legal and Economic) analysis of the longer-term risks facing the organisation, to enable the Audit and Risk Committee and the Trustees to foresee and assess risk through a wider contextual framework.
- The Board reviews the key risks following the Audit and Risk Committee's bi-annual review.

Fig 13: Top risks currently facing the AHF

Risk Area	Risk Description	Risk Management
External	In the short to medium term our work does not meet the needs of our existing or prospective funders; or the general funding environment becomes constrained. Our grant income decreases.	Close contact with new and existing grant funders is being maintained to ascertain new opportunities. New grant funding has been agreed in England but at a much lower level than that of the last three years. Additional grant funding in England is being sought.
External	Rising inflation, slowing growth and the 'cost of living' crisis significantly exacerbates the top risks	An assessment of the internal impacts of inflation has been undertaken and reviewed by the Audit and Risk Committee. We remain in close contact with clients, but particularly borrowers, to understand the impact of inflation on their organisation's and their projects.
Operational	Borrowers default on loans and repayment of capital and interest decreases significantly. Endowment and HIF eroded, rendering AHF's lending capacity diminished.	Post Covid, cost of living and inflation related challenges remain a significant challenge for many borrowers. Close monitoring of pricing and project progress continues, and bad debt provisioning is being made where required.

Operational	Our services & products do not meet the needs of our existing or prospective clients. Lack of funding to award, both grants and loans.	As well as grant funding, new lending finance has been pursued in recent years but affected by BoE interest rate rises. Negotiations re further debt finance for the HIF have been paused but two new partner funds have been launched in the meantime.
Operational	We do not recruit or retain staff or consultants with sufficient knowledge, skills and enthusiasm to undertake our operations effectively and our services are of poor quality.	The new Director of Investment has quickly become an effective member of the SMT. The new England Programmes Team has also transitioned into their new set up. We remain very aware of the competition for high quality staff and line managers SMT and Board are focused on sustaining the environment and policies that support staff retention.

The Trustees are satisfied that appropriate systems are in place to manage risk.

f. Structure, governance and management

The Architectural Heritage Fund (AHF) is incorporated as a company limited by guarantee (company number 01150304), is registered as a charity in England and Wales (number 266780) and in Scotland (number SC043840) and is governed by its memorandum and articles of association (most recently updated 30 January 2013).

The AHF is registered with the Financial Conduct Authority for the purposes of money laundering regulation and is recorded on the Financial Services Register (number 707421).

The registered office is 3 Spital Yard, Spital Square, London E1 6AQ.

g. Board of Trustees

The governing body of the AHF is the Board of Trustees, whose members have legal responsibility as directors of the AHF as a company and as Trustees of the AHF as a charity. The Board is responsible for every aspect of the AHF's business and governance, with day-to-day management being delegated to the AHF's executive. Board members usually serve for renewable terms of three years. Every member of the Board is also a member of the AHF as a company. The AHF has no other members.

The Board comprises fourteen appointed Trustees, including the Chair, who contribute a diverse range of expertise and who represent the whole of the UK.

The AHF recognises that an effective Board of Trustees is essential if the charity is to be effective in achieving its objects. The Board must seek to represent the people with whom the charity works and must have available to it all of the knowledge and skills required to run the charity. During the year the trustees reviewed the Charity Governance Code and identified several actions that the organisation is taking forward in next year's annual plan. This includes the development of new Equality, Diversity and Inclusion commitments and an action plan to support this key area of work.

Some members of the Board are also Directors or Trustees of, or consultants to, organisations which apply for and receive financial assistance from the AHF, or with which the AHF has an arm's-length business relationship. In this event the member or members are required to disclose the interest at the meeting at which the application is considered, or the business is discussed, thereby taking no part in the Board's decision (in accordance with the AHF's Conflict of Interests Policy). A register of Trustees' interests is maintained and updated regularly.

The Board meets at least five times a year.

h. Committees

There are currently five sub-committees, the Audit & Risk Committee, the Credit Panel, the Heritage Impact Fund Credit Panel, the Grants Panel and the Nominations Committee.

Audit and Risk Committee

Composed of up to four Board members, the duty of the Audit and Risk Committee is to consider and report to the Board on matters of financial control and performance, and to help Trustees and staff identify and assess risks to the organisation. The Audit and Risk Committee met three times during the year.

Nominations Committee

The Nominations Committee is responsible for establishing protocols for the appointment of Trustees and Chair, for organising the selection criteria and running the recruitment process and recommendations for appointment to the Board.

Credit Panel

The Credit Panel makes decisions on loans below £500,000 and makes recommendations to the Board on loan applications above that threshold. The Panel currently comprises five AHF Board members and the CEO. The Panel met five times during the year.

The Heritage Impact Fund Credit Panel

The Heritage Impact Fund (HIF) Credit Panel was established in March 2018 to make decisions on HIF loans below £500,000 and to make recommendations to the Board on applications above that threshold. The HIF Credit Panel currently comprises five AHF Board members and the CEO. There is an Observer to the Panel, Hannah Stranger Jones, an independent consultant and formerly Head of Research and Impact for UnLtd, who advises on social impact measurement. Historic England and the National Lottery Heritage Fund are also observers to the Panel.

Grants Panel

The Panel comprises six Trustees representing England, Northern Ireland, Scotland and Wales, and the Chief Executive. The Director of Programmes is its Secretary. The Panel meets quarterly. Terms of appointment are for three years but are synchronised with the serving terms of Trustee appointments. The Chair revolves around the four Trustees on a bi-annual basis. The Panel met four times during the year.

Trustees serving during the year and since the year end were:

Fig 14: Trustees serving during the year and since the year end

Board		Board Committees				
Trustees	Year of appointment	Audit & Risk	Credit Panel	HIF Credit Panel	Grants Panel	Nominations Committee
Ros Kerslake (Chair)	2022					*
Myra Barnes	2013	*	*	*		*
James Bowdidge	2019		*	*		
Ade Alao	2018		*	*		*
Carole-Anne Davies (resigned August 2022)	2020				*	
Graham Fisher (Chair of Grants Panel)	2019				*	
David Hunter (Chair of Credit Panel)	2017		*	*		
Roy Hodson (Chair of Audit & Risk Committee)	2016	*				
Karen Latimer	2018				*	*
Menna Jones	2023				*	
Elizabeth Peace (former Chair, resigned September 2022)	2014					
Greg Pickup	2020				*	
Suzanne Snowden	2017	*				*
Neal Shasore	2020					
Esther Robinson-Wild	2021	*	*	*		
Audrey Carlin	2021				*	

Trustees

Ros Kerslake CBE (Chair)

Ros Kerslake was Chief Executive of the National Lottery Heritage Fund from 2016 to 2021, where she led a UK-wide team of 300 staff, responsible for the distribution of up to £400 million per annum. Her earlier roles include Chief Executive at The Prince's Regeneration Trust, RegenCo Sandwell and Director-level roles at Railtrack, Booker PLC, and Gulf Oil, a UK subsidiary of Chevron Corporation.

Ros is currently Chair of Leeds Castle Foundation, a trustee of Re-form Heritage, a member of the Community and Voluntary Services Honours Advisory Committee and a Group Board member of Sanctuary Group. Her previous non-executive roles include Senior Independent Director and Chair of the Remuneration Committee at U+I PLC, a regeneration-based property developer, Quintain Estates and Development PLC, Black Country Housing Association, and Thurrock Thames Gateway Development

Corporation. Ros is a qualified solicitor and holds an MBA. Ros was awarded an OBE in the 2015 and a CBE in 2020 for services to heritage and holds honorary degrees from Keele and Staffordshire Universities.

Ade Alao

Ade Alao leads on major real estate capital projects for the Department for Work & Pensions. He previously worked for the British Council and in local government with considerable expertise in project delivery, regeneration, housing and local economic development. He is on the board of Incommunities and previously held Non-Executive Director appointments as Chair of Northwards Housing and Vice-Chair of Salix Homes – both major housing associations in Greater Manchester.

Myra Barnes

Myra Barnes has forty years' experience in property and development. She has been involved in different public and private sector redevelopments within the UK. She has also worked on many large masterplans and regeneration projects. She is a Chartered Town Planner currently working as a partner in a town planning consultancy. Myra was previously Head of Planning for National Grid Property and worked at Olympia & York and London Docklands Development Corporation.

James Bowdidge

James was principal of a Central London commercial and mixed-use property development and investment business, The Property Merchant Group, which undertook a wide range of projects in Central London, of which the £50 million refurbishment and reconfiguration of Sir Edwin Lutyens's One Finsbury Circus was a particular highlight. In a voluntary capacity, he is a Vice-President of the Game and Wildlife Conservation Trust and a former director of Theatre Delicatessen, an important meanwhile occupier of major buildings, supporting over 11,000 artists.

Audrey Carlin

Audrey Carlin is an experienced leader in the delivery of heritage and regeneration projects. A Town Planner by profession, she has over 31 years of professional experience, delivering over £50m of regeneration focused activity in Scotland in this time, while working with a number of local authorities then with two of Scotland's first Urban Regeneration Companies – Clydebank Rebuilt and Clyde Gateway. Audrey currently leads Wasps, Scotland's largest provider of affordable high-quality studio, office and working space to the creative sector, as Chief Executive Officer. Wasps supports 1000 artists, creative industries and cultural tenants in 20 locations across Scotland, from the cities, rural areas, and Islands. Audrey is an active supporter of the arts and was appointed to the Board of the National Galleries of Scotland, in 2018. Audrey is also Chair of the Major Capital Projects Committee of this Board, overseeing nationally significant development projects.

Graham Fisher (Chair of the Grants Panel)

Graham Fisher is Chief Executive of Letchworth Garden City Heritage Foundation, a place-based foundation that is the custodian of Letchworth Garden City, the world's first Garden City. Prior to joining the Foundation, Graham was Chief Executive of Toynbee Hall an anti-poverty charity based in the East End. Graham's career combines leadership roles in the voluntary sector, local and national Government, including as Chief Executive of MLA London, the strategic regional development agency for museums, libraries and archives and Director of London Libraries Development Agency, the strategic regional development agency for public libraries.

Roy Hodson (Chair of Audit & Risk Committee)

Roy Hodson joined the Board in April 2016. He brings considerable financial expertise to the Board having been a partner at PwC for 26 years, including serving clients in the property, construction and financial services sectors. Roy is a Chartered Accountant (ICAEW) and also Director of a number of commercial companies. He mentors at the School for Social Entrepreneurs and the University of Manchester.

David Hunter (Chair of the Credit Panel)

David Hunter is a professional Non-executive Director and Strategic Adviser focused principally on UK and International real estate. He is currently Chairman of two UK REITs. David is an Honorary Professor of Real Estate at Heriot-Watt University and is Honorary Swedish Consul to Glasgow.

Menna Jones

Menna Jones has worked in the social enterprise sector for the last 30 years and was Chief Executive of Antur Waunfawr, a social enterprise in North West Wales for 27 years until joining Bardsey Island Trust in her current role as Development Manager in 2022. She previously worked as Development Co-ordinator for Cymdeithas Tai Eryri housing association and for Dafydd Wigley, MP for Caernarfonshire. She has been involved with the social enterprise and community sector in Wales at all levels including voluntary roles, spearheading heritage, recycling and care projects, and contributing to Social Enterprise Strategies in Wales. Menna is passionate about the language, culture, environment and heritage in Wales, and is a Board member of Yr Urdd (National Youth Organisation of Wales), and Canolfan Iaith Nangwrtheyrn (Welsh Language Centre).

Karen Latimer OBE

Karen Latimer is a library buildings consultant and Chief Adviser to UK Designing Libraries. In parallel with her professional career, she has over 35 years' experience in the architectural heritage sector in Northern Ireland and is currently on the Board of Hearth Historic Buildings Trust, The Boomhall Trust and the Irish Architectural Archive (Chair of the Collections Committee), and is Publications Editor for the Ulster Architectural Heritage Society.

Suzanne Snowden

Suzanne Snowden is a Director at Message Consulting Limited, a marketing and communications consultancy. Previously Director of PwC Global Thought Leadership programme, where she led the firm's research, marketing and insights generation activities, Suzanne brings experience advising on brand positioning, thought leadership and social media marketing.

Neal Shasore

Neal Shasore is an architectural historian and Head of School at the London School of Architecture, based in Hackney, East London. He is passionate about equality, diversity and inclusion in the built environment. He has published on architectural culture in early twentieth Britain and is also a trustee of the Twentieth Century (C20) Society.

Greg Pickup

Greg Pickup is Chief Executive of the Churches Conservation Trust, a charity charged with the care of over 350 historic churches and dedicated to using these to support and regenerate communities. Previously he was the CEO of Heritage Lincolnshire, a heritage development trust with whom AHF has worked on a number of projects. Greg has also worked for the National Lottery Heritage Fund, as Fund Manager for the £20m Derby Enterprise Growth Fund, as well as on a range of projects during a period running his own consultancy, including Townscape Heritage and LGBTQ history projects. In addition to

serving on the board of AHF he is a former Trustee of the Arkwright Society, custodians of Richard Arkwright's Cromford Mills complex in the heart of Derbyshire's Derwent Valley Mills World Heritage Site.

Esther Robinson Wild

Esther Robinson Wild is a Historic Environment Consultant with extensive experience of working on a wide range of projects in all areas of the historic environment including listed buildings, historic buildings and places, conservation areas and archaeology. She has a background in finance and real estate having worked for over ten years as an Analyst in various City of London-based financial institutions. She is a member of the Board of Directors of the Chartered Institute for Archaeologists (CIfA) and a Trustee of the Foundation for Jewish Heritage. Esther has a MA in the Archaeology of Buildings from the University of York. She is also a Fellow of the Society of Antiquaries of London.

i. Executive

The organisation primarily comprises two teams: Programmes and Impact, and Investment. The AHF Programmes Team runs our advice service and grants programmes, evaluation and communications activities. The AHF Investment Team manages our lending function. Both teams support the Chief Executive in raising new funding.

The Senior Management Team comprises the Chief Executive, the Director of Finance, the Director of Programmes and Director of Investment.

j. The AHF's employees

Matthew Mckeague – CEO

Oliver Brodrick-Ward – Executive Assistant and Team Administrator

Finance Team

Fiona Hollands – Director of Finance

Umedha de Zoysa – Finance Officer

Investment Team

Asha Karbhari – Director of Investment

Madeleine Blyth – Investment Manager

Andrew Hitches-Davies – Investment Manager

Emily Greenaway – Investment Officer

Grants Team

Kelcey Wilson-Lee – Director of Programmes

Gavin Richards – Heritage Development Trusts Programme Manager

Laura Williams – Development Manager (England and Lead East of England)

Gordon Barr – Development Manager (Scotland)

Jo Robertson – Support Officer (Scotland)

Adam Hitchings – Development Manager (Wales)

Rita Harkin – Development Manager (Northern Ireland)

Josephine Brown - Programme Officer (South West England)

Louise Stewart – Programme Officer (London and South East England)

Mandy Hall – Programme Officer (Midlands)

Annoushka Deighton – Programme Officer (North)

Communications

Tia Jackson – Communications Officer

k. Professional Advisers:

Solicitors:

- Thorntons, Citypoint, 3rd Floor, 65 Haymarket Terrace, Edinburgh EH12 5HD
- Bates Wells 10 Queen Street Place, London EC4R 1BE
- Brechin Tindal Oatts, 48 St Vincent Street, Glasgow G2 5H
- Morton Fraser, Quatermile Two, 2 Lister Square, Edinburgh EH3 9GL
- Farrer and Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH
- Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW
- TLT LLP, 20 Gresham St, London EC2V 7JE

Auditors:

- Moore Kingston Smith LLP, 9 Appold Street, London EC2A 2AP

Insolvency Advisor:

- BM Advisory LLP, 82 St John Street, London EC1M 4JN

Bankers:

- Barclays Bank plc, 167 High Street, Bromley BR1 1NL

Accounts were also held with National Westminster Bank plc until 15 December 2021

Investment Manager

- Rathbone Greenbank Investments, 8 Finsbury Circus, EC2M 7AZ

9 Benefactors and Friends

The AHF enjoys the support of a steadfast group of major institutional funders, as well as like-minded individuals who support our core work. Together, these Benefactors and Friends enable us to work with communities across the UK to safeguard and enliven beloved historic buildings. We are extremely grateful for the support during 2022-23 of the following.

Benefactors (£20,000 or more per annum)

- UK Government
- Department for Digital, Culture, Media and Sport
- Historic England
- Historic Environment Scotland
- Cadw
- Department for Communities Northern Ireland
- National Lottery Heritage Fund
- Garfield Weston Foundation
- The Pilgrim Trust
- William Grant Foundation

Friends (£120 or more per annum)

- Simon Back
- Dr DK Robinson
- S Snowden
- Paul Tomlinson
- Nigel Waring
- A Alao
- F Hollands
- J Bowdidge
- K Wilson-Lee
- M Mckeague
- R Hodson
- K Latimer
- M Barnes
- A Karbhari
- Andrew Dunbar-Nasmith

Pro bono support

- Shearman & Sterling Solicitors – which contributed £69,623 of pro bono support to the Heritage Impact Fund.

The Architectural Heritage Fund Statement of Trustees' Responsibilities

Statement of Trustees' Responsibilities

The members of the Board (who are the trustees, and also directors of The Architectural Heritage Fund for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Architectural Heritage Fund ("AHF") and of the incoming resources and application of resources, including the income and expenditure, of the AHF for that year. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the AHF, and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the AHF and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This Report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the Board:



Ros Kerslake
Chair

27 September 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARCHITECTURAL HERITAGE FUND

Opinion

We have audited the financial statements of The Architectural Heritage Fund ('the company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company'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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARCHITECTURAL HERITAGE FUND

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 39, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, the Companies Act 2006 and Section 151 of the Charities Act 2011 and report to you in accordance with regulations made under those Acts.

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARCHITECTURAL HERITAGE FUND

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARCHITECTURAL HERITAGE FUND

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006; and to the charity's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and in respect of the consolidated financial statements, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.



Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date 01/11/2023

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

The Architectural Heritage Fund
Statement of Financial Activities for the year ended 31 March 2023
(incorporating the income and expenditure account)

	Note	Endowment fund £	Restricted fund £	Unrestricted fund £	2023 total £	2022 total £
Income and endowments from:						
Donations and legacies						
Donations and legacies from individuals and corporations	3	-	-	71,666	71,666	1,643
Government grants	4	-	3,088,512	-	3,088,512	6,285,521
Other grants	5	-	213,668	-	213,668	106,664
		-	3,302,180	71,666	3,373,846	6,393,828
Charitable activities						
		-	-	27,854	27,854	67,664
		-	-	27,854	27,854	67,664
Investments						
Bank Interest/Dividends receivable		-	-	144,230	144,230	84,192
Interest receivable - on loans disbursed		-	-	592,999	592,999	522,462
Rent receivable		-	-	-	-	18,074
		-	-	737,229	737,229	624,728
Total income		-	3,302,180	836,749	4,138,929	7,086,220
Expenditure on:						
Raising funds						
Generating voluntary income		-	-	5,820	5,820	4,570
Investment management - financial		-	-	34,172	34,172	25,797
Investment management - property		-	-	-	-	16,562
		-	-	39,992	39,992	46,929
Charitable activities						
Loan and grant						
(Decrease)/Increase in the loan bad debt provision	6	(150,416)	358,185	37,285	245,054	117,804
Other loan-related activities		-	124,558	241,540	366,098	273,728
Grant making		-	2,984,055	171,037	3,155,092	6,011,582
		(150,416)	3,466,798	449,862	3,766,244	6,403,114
Development and advocacy						
Capacity building		-	127,130	149,970	277,100	255,766
Impact reporting, evaluation and communications		-	18,161	99,076	117,237	110,632
Research		-	11,313	-	11,313	35,893
Contribution to the Heritage Trust Network		-	-	5,000	5,000	5,000
		-	156,604	254,046	410,650	407,291
Total expenditure on charitable activities		(150,416)	3,623,402	703,908	4,176,894	6,810,405
Total expenditure before gains/(losses) on investments	7	(150,416)	3,623,402	743,900	4,216,886	6,857,334
Net gains/(losses) on investments	13	(116,746)	(77,830)	(22,815)	(217,391)	110,824
Net loss on disposal of investment property	14	-	-	-	-	(15,065)
Net income/(expenditure)		33,670	(399,052)	70,034	(295,348)	324,645
Transfers between funds	22	33	(29,503)	29,470	-	-
Net movement in funds	22	33,703	(428,555)	99,504	(295,348)	324,645
Reconciliation of funds						
Balances at 1 April 2022		9,325,787	6,225,344	2,070,050	17,621,181	17,296,536
Balances at 31 March 2023	22	9,359,490	5,796,789	2,169,554	17,325,833	17,621,181

All amounts relate to continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 47 to 59 form part of these financial statements.

**The Architectural Heritage Fund
Balance Sheet as at 31 March 2023**

		2023		2022	
		£	£	£	£
Fixed assets					
Investments	13		6,391,126		4,332,888
Tangible assets	15		6,379		7,150
Intangible assets	16		14,400		-
Programme related investments:					
Loans disbursed for preservation projects	17		9,540,707		9,919,932
Total fixed assets			15,952,612		14,259,970
Current assets					
Debtors:					
Loan interest receivable		231,295		383,392	
Government grants receivable		988,585		1,382,402	
Other accrued income and prepayments		73,687		53,185	
		1,293,567		1,818,979	
Cash at bank and in hand		5,256,826		9,410,655	
		6,550,393		11,229,634	
Creditors: amounts falling due within one year	18	(5,172,172)		(7,863,423)	
Net current assets			1,378,221		3,366,211
Provision	20		(5,000)		(5,000)
Net assets			17,325,833		17,621,181
Funds	21,22				
Endowment fund			9,359,490		9,325,787
Restricted fund			5,796,789		6,225,344
Unrestricted funds					
Designated lending fund		1,537,581		1,502,844	
General fund		631,973		567,206	
		2,169,554		2,070,050	
Total funds			17,325,833		17,621,181

The financial statements were approved by the Board and authorised for issue, on 27 September 2023 and signed on their behalf by:

Ros Kerslake

Ros Kerslake
Chair

Date 27 September 2023



Roy Hodson
Chair of the Audit & Risk Committee

Date 27 September 2023

The Architectural Heritage Fund

Company limited by guarantee registration number 01150304

The Architectural Heritage Fund
Statement of Cash Flows for the year ended 31 March 2023

	Note	2023 £	2022 £
Net cash provided by/(used in) operating activities	23	(2,598,226)	(1,238,622)
Cash flows from investing activities:			
Interest and rents from investments		737,229	624,728
Purchases of investments	13	(4,726,125)	(246,145)
Proceeds from investment disposals		573,473	1,396,482
Proceeds from fixed asset investments		-	530,000
Purchases of fixed assets		(2,803)	(10,726)
Purchases of intangible assets		(14,400)	-
Change in long term cash deposits held in the investment portfolio		900,000	(145,000)
Net cash provided by investing activities		(2,532,626)	2,149,339
Increase/(decrease) in cash and cash equivalents in the year		(5,130,852)	910,717
Cash and cash equivalents at the beginning of the year		10,479,726	9,569,009
Total cash and cash equivalents at the end of the year		5,348,874	10,479,726
Analysis of cash and cash equivalents			
		2023 £	2022 £
Cash at bank and in hand		5,256,826	9,410,655
Cash held in investment portfolio		92,048	1,069,071
Total cash and cash equivalents		5,348,874	10,479,726
Analysis of changes in net debt			
	As at 1 April 2022	Cash flows	As at 31 March 2023
	£	£	£
Cash at bank and in hand	9,410,655	(4,153,829)	5,256,826
Cash held in investment portfolio	1,069,071	(977,023)	92,048
Total	10,479,726	(5,130,852)	5,348,874

The Architectural Heritage Fund

Notes to the Financial Statements for the year ended 31 March 2023

1 Company status

The charity is a company limited by guarantee domiciled and incorporated in England and Wales. The registered office is 3 Spital Yard, Spital Square, London, E1 6AQ. The members of the company are the trustees named in Section 13 'Reference and administrative information'. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014. The charitable company is a public benefit entity for the purposes of FRS 102 and therefore the charity also prepared its financial statements in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable in the UK and Republic of Ireland effective 1 January 2015 (Charities SORP (FRS 102) including Updated Bulletin 2, the Companies Act 2006, the Charities Act 2011 and Charities Accounts (Scotland) Regulations 2006 as amended by The Charities Accounts (Scotland) Amendment (No.2) Regulations 2014. In accordance with the provisions of the Companies Act the charity has adapted the format of the accounts to reflect the special nature of the charity's activities. Additional information has been provided where this increases understanding of the figures.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

The following accounting policies have been applied consistently during the current and previous year except as defined below:

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements.

As part of the going concern review the trustees reviewed detailed budgets and cash flow forecasts, taking into account the legacy effects of the Covid-19 pandemic on the company's income and expenditure streams and the current challenges of rising interest rates, inflation and energy costs, all of which will affect the organisations we support.

The aftermath of the pandemic continues to increase the risk of bad debts from borrowers, and the worsening economic climate will, unfortunately, have a detrimental affect on our loan and grant clients and their financial sustainability. Nevertheless, based on these forecasts and the level of reserves available, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements as they do not consider there to be any material uncertainties about the charity's ability to continue.

Income

All income is included in the Statement of Financial Activities when the Architectural Heritage Fund is legally entitled to the income and the amount can be measured reliably and receipt is probable. For legacies, entitlement is the earlier of the charity's being notified of an impending distribution or the legacy being received. Income from charitable activities includes loan arrangement fees.

Government grant income is recognised when the AHF is entitled to the grant income, it is probable that the economic benefit associated with the grant will be received and the monetary value can be measured reliably.

Where grant income relates to a period specified by the donor, any of the income not received in the appropriate financial year is accrued; where any of the income is received in advance of the appropriate financial year, it is deferred.

Where goods and services that would normally be purchased from suppliers are provided to the Charity as a donation, this donation is included in the financial statements as an estimate based on the value of the contribution to the Charity.

Loans

The Architectural Heritage Fund makes loans in furtherance of its objects. The terms of repayment and the rate of interest are laid down by the Board and embodied in a legal agreement for each loan.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

2 Accounting policies (continued)

Loans (continued)

Loans are disbursed and recorded in the financial statements when the borrower fulfils certain conditions. Some loans are disbursed by instalments. The undisbursed balance of contracted loans is recorded with offers of loans for which a contract has not been made, as a future commitment (see note 12). The timing of the payment of such amounts depends on the fulfilment of certain conditions by the borrower and cannot be estimated with any reasonable accuracy by the Architectural Heritage Fund.

The financial statements include interest accrued on the outstanding loans at the balance sheet date.

Bad debt expense

Based on the latest detailed portfolio analysis, the total capital bad debt provision required is estimated at 18% for the loans falling under the Heritage Impact Fund activities; the capital bad debt provision for the Charity's Endowment Fund activities is estimated at 9 %.

Bad debt expense incurred on the capital element of a loan as part of the Heritage Impact Fund is taken against each charitable fund, consistent with each funds' contribution to this lending fund. Any other bad debt expense required is taken against the endowment fund.

Where there is a change in the bad debt on loan interest receivable for the year, the impact on the unrestricted fund is limited to 8.3% of loan interest income recognised in the year. Any remaining expense is taken against each charitable fund, consistent with each funds' contribution to the lending fund.

Grants

The Architectural Heritage Fund makes non-refundable grants in furtherance of its objects.

Non-refundable grants offered are accounted for on an accruals basis and are disbursed when the recipient has fulfilled certain conditions that are individual to the particular case. Where the timing of the disbursement of grants cannot be reliably estimated all non-refundable grants offered but not yet disbursed at the balance sheet date are included in the balance sheet as Creditors: amounts falling due within one year.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified in the Statement of Financial Activities under headings that aggregate all relevant costs. Irrecoverable VAT is included with the expense to which it relates.

Charitable activities include all costs relating to the provision of loans and grants in furtherance of the objects of the Architectural Heritage Fund. It also includes costs relating to the support, development and distribution of information relating to the Architectural Heritage Fund and advice and guidance to charities and social enterprises developing heritage led regeneration projects.

Costs of raising funds are those incurred in seeking voluntary contributions. These do not include the costs of disseminating information in support of charitable activities.

Support costs are indirect costs incurred to facilitate the charity's activities. Where such costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. Support costs including premises, staff and overhead costs are allocated to activities by reference to the time spent by staff.

Governance costs, included within support costs, are those incurred in connection with the governance of the Architectural Heritage Fund and in complying with constitutional and statutory requirements.

Fixed asset investments

Listed investments are stated at market value at the year end. The SOFA includes any realised and unrealised gains and losses during the year.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

2 Accounting policies (continued)

Tangible fixed assets

Expenditure of more than £2,000 on a tangible fixed asset (including any incidental expenses of acquisition) is initially capitalised at cost and subsequently measured at cost less depreciation. Depreciation is calculated to write off the cost, less estimated residual value, of all tangible fixed assets on a straight line basis over their estimated useful lives as follows:

Computer equipment	3 years
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Intangible fixed assets

Intangible fixed assets are capitalised when expenditure is more than £2,000. They are initially capitalised at cost and subsequently measured at cost less amortisation. Amortisation is provided at rates calculated to write off the cost, less estimated residual value, of all intangible fixed assets on a straight line basis over their estimated useful lives as follows:

Database Development	5 years
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Programme related investments

Loans disbursed for charitable preservation projects of the AHF's beneficiaries are initially recognised and measured at the amount paid. The carrying amount is adjusted in subsequent years to reflect repayments, and a provision is made for any estimated irrecoverable amounts. Provisions are estimated on the basis of the fair value of any amounts pledged to the AHF and are reassessed at each reporting date. Any resulting gains and losses are recognised in the Statement of Financial Activities in the year in which they arise. An additional general provision is made where the trustees consider it appropriate, based on historic bad debt performance.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, deposits held within the investment portfolio and other short-term liquid investments with original maturities of 90 days or less. Cash held within the investment portfolio is classified within fixed asset investments.

Provision

A provision is defined as a liability of uncertain timing or amount. Provisions are recognised in accordance with FRS 102 when the charitable company has a legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is probable an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material provisions are recognised at a discounted rate.

Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The AHF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Taxation

The charitable company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 to the extent that these are applied to its charitable objects.

Employee benefits

The costs of short term employee benefits are recognised as a liability and an expense.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed.

Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense to the Statement of Financial Activities as they fall due (see note 10).

Leases

Operating lease costs are charged to the Statement of Financial Activities as incurred, on a straight line basis over the term of the lease term.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

2 Accounting policies (continued)

Fund accounting

Endowment fund

Contributions received for lending to preservation projects constituting a capital fund which cannot be expended, other than by loans.

Designated lending fund

Resources allocated by the Board from the AHF's unrestricted funds to be available for lending and to constitute a reserve for bad debts on loans and for any loan-related expenditure which cannot be met from annual income.

General fund

The general fund constitutes the free reserves of the charity from which running costs and non-refundable grants have to be paid.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donor. The aim and use of each restricted fund is set out in the notes to the financial statements.

3 Judgements and key sources of estimation uncertainty

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Bad debt provision

The charitable company makes an estimate of the recoverable value of loan debtor balances. When assessing impairment of these, management considers factors including the current credit rating of the debtor, their financial performance, the payment profile, the general economic environment and historical experience. The Coronavirus pandemic and the current economic environment both continue to have an adverse impact on the financial and trading pressures of the heritage and community sector which the Architectural Heritage Fund serves through its loans portfolio. As a result, the effective general capital bad debt provision (excluding restricted activities in relation to the Heritage Impact Fund) has only reduced slightly, to 6.0% (2022: 6.5%). See note 6 for details of the impairment provision made.

(ii) Donated goods and services

Donated goods and services are based on an estimate of the value of the contribution to the Charity as per the accounting policy above. During the year the Charity received pro bono legal services from Shearman & Sterling (London) LLP in connection with a potential loan facility for the HIF. These services were valued at £69,623 and the income is included in £71,666 *Donations and legacies from individuals and corporations* on the SOFA.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

4 Analysis of government grants receivable	Endowment fund £	Restricted funds £	2023 total £	2022 total £
Historic England : Transforming Places Through Heritage	-	1,978,010	1,978,010	4,848,407
Historic England: Capacity Building	-	33,394	33,394	80,000
National Lottery Heritage Fund: Replan	-	42,158	42,158	34,664
Historic Environment Scotland	-	464,000	464,000	464,000
Cadw: Welsh Historic Environment service	-	350,000	350,000	350,000
Dept for Communities Northern Ireland: Heritage Impact Fund	-	-	-	250,000
Dept for Communities Northern Ireland	-	220,950	220,950	258,450
	-	3,088,512	3,088,512	6,285,521

5 Other grant income	Endowment fund £	Restricted funds £	2023 total £	2022 total £
William Grant Foundation	-	107,000	107,000	-
Garfield Weston	-	58,336	58,336	58,332
The Pilgrim Trust	-	48,332	48,332	48,332
	-	213,668	213,668	106,664

6 Losses on loans and adjustments to the bad debt provision	Endowment fund £	Restricted funds £	Unrestricted funds £	2023 total £
Increase/(decrease) in the loan bad debt provision:				
Loan capital specific	(89,481)	500,139	89,758	500,416
Loan capital general	(65,682)	(180,480)	(66,713)	(312,875)
Loan interest specific	6,363	51,643	19,089	77,095
Loan interest general	(1,616)	(13,117)	(4,849)	(19,582)
	(150,416)	358,185	37,285	245,054

Increase/(decrease) in the loan bad debt provision:	Endowment fund £	Restricted fund £	Unrestricted funds £	2022 total £
Loan capital specific	13,531	-	-	13,531
Loan capital general	(9,261)	50,235	20,000	60,974
Loan interest specific	-	-	(9,533)	(9,533)
Loan interest general	-	-	52,832	52,832
	4,270	50,235	63,299	117,804

In recognition of the risk that funds may not be recoverable in full, despite the AHF's best efforts, the AHF's trustees are of the opinion that it is prudent to carry a general bad debt provision against outstanding loan balances not specifically provided for.

In 2019/20, detailed portfolio analysis indicated that an 11% general bad debt provision was appropriate (increased from 8.3% in 2018/19) against endowment loan balances outstanding not specifically provided for, reflecting difficult financial and trading conditions due to the impact of the Coronavirus pandemic. In 2021/22 a general bad debt provision of 6.5% was considered appropriate. The latest portfolio analysis indicates that a general bad debt provision of 6.0% is appropriate against endowment loan balances not specifically provided for in 2022/23.

A 8.3% general bad debt provision was carried against Heritage Impact Fund loans outstanding before 22/23, when the fund was relatively new; this was based on a long term average of historical bad debt charged to the AHF endowment fund. The latest HIF portfolio analysis indicates that a specific bad debt provision is required in respect of two HIF loans at the 22/23 year end and only a minimal general bad debt provision (<1%) is carried against the outstanding loan balances not specifically provided for.

Loans disbursed and loan interest receivable are stated after provisions for impairment amounting to £1,490,251 (2022: £1,521,478).

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

7 Analysis of total resources expended	Staff costs (Note 10)	Grants (Note 8)	Direct costs	Publication costs	Heritage Trust Network	Support costs			2023 Total	2022 Total
						Premises costs	Depreciation	Other costs		
	£	£	£	£	£	£	£	£	£	£
Resources expended										
Costs of generating funds (unrestricted)	-	-	-	-	-	2,596	277	37,119	39,992	46,929
Loan-related activities	210,738	-	88,185	-	-	6,178	646	305,405	611,152	391,532
Grant making	516,632	2,144,155	397,195	-	-	12,355	1,361	83,394	3,155,092	6,011,581
Capacity building	170,049	-	-	-	-	10,811	1,182	95,058	277,100	255,766
Impact reporting, evaluation and communications	101,623	-	-	4,818	-	1,544	110	9,142	117,237	110,632
Research	-	-	11,313	-	-	-	-	-	11,313	35,893
Net contribution to the Heritage Trust Network	-	-	-	-	5,000	-	-	-	5,000	5,000
2023 total	999,042	2,144,155	496,693	4,818	5,000	33,484	3,576	530,118	4,216,886	6,857,334
2022 total	943,797	5,080,062	414,342	5,703	5,000	32,731	3,576	372,123	6,857,334	

Loan-related activities include a net increase of £245,054 (2022: £117,804) in the provision for bad debts, as detailed in Note 6.

Other support costs include:

	2023 £	2022 £
General office and administration	59,610	55,277
Accommodation, travel & subsistence	24,795	17,799
Increase in the provision for bad debts	245,054	117,804
Investment property management (external)	-	14,650
Investment management fees (external)	27,966	23,885
Regional support initiative	34,240	34,454
Other costs	120,686	64,866
Governance costs	17,767	43,388
	530,118	372,123

Expenditure on charitable activities was £4,176,894 (2022: £6,810,405) of which £(150,416) (2022: £4,270) was attributable to endowment funds, £3,623,402 (2022: £6,239,621) to restricted funds and £703,908 (2022: £566,514) to unrestricted funds.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

8 Grants

	Offered £	Withdrawn £	2023 Net charge £	2022 Net charge £
Project grants:				
England				
<i>Transforming Places through Heritage (DCMS)</i>				
Project viability	183,362	(86,983)	96,379	344,622
Project development	1,182,139	(159,097)	1,023,042	1,462,921
Transformational project (incl HDT capital)			-	2,183,489
Crowdfunding challenge	50,000	(5,328)	44,672	90,000
Emergency support grants		(10,277)	(10,277)	15,000
<i>Growing Community Enterprise through Heritage (DCMS)</i>				
Project viability	16,362		16,362	(8,111)
Project development			-	(8,251)
<i>National Capacity Building - HE</i>				
Project viability		(27)	(27)	41,866
Project development		(6)	(6)	33,486
<i>Culture Recovery Fund</i>				
Recovery grants		(49)	(49)	49
Scotland				
<i>Main Scotland (HES)</i>				
Project viability	110,832	(12,669)	98,163	109,083
Project development	219,270	(11,831)	207,439	203,646
Emergency support grants			-	-
<i>William Grant Foundation</i>				
Project viability	37,215		37,215	58,600
Project development	63,765	(1,128)	62,637	41,400
Wales				
Project viability	46,832	(363)	46,469	34,854
Project development	162,735	(25,203)	137,532	148,146
Capital works	150,000		150,000	151,000
Northern Ireland				
Project viability	15,240	(2,524)	12,716	9,929
Project development	27,420	(2,325)	25,095	20,000
Capital works			-	-
<i>Village Catalyst</i>				
Project viability	50,000	(1,540)	48,460	70,000
Project development	120,000		120,000	50,000
Total project grants	<u>2,435,172</u>	<u>(319,350)</u>	<u>2,115,822</u>	<u>5,051,729</u>
Grants to sector partners:				
HTN	<u>28,333</u>	<u>0</u>	<u>28,333</u>	<u>28,333</u>
Total	<u>2,463,505</u>	<u>(319,350)</u>	<u>2,144,155</u>	<u>5,080,062</u>

Number of grants:	2023	2022
Project viability	53	88
Project development	74	91
Transformational project & capital	4	16
Recovery grants	-	1
Emergency support grants	-	1
Other	4	4
	<u>135</u>	<u>201</u>

Restricted grant making expenditure of £2,984,055 (2022: £5,910,333) in the Statement of Financial Activities also includes Support Officer costs and grant related overheads.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

9 Net movement in funds	2023	2022
	£	£
Net movement in funds is arrived at after charging:		
Auditors' remuneration - current year audit	22,000	19,075
Auditors' remuneration - prior year audit	1,275	-
Auditors' remuneration- non-audit services	8,148	13,902
Operating lease charges - land and buildings	25,010	27,142
Operating lease charges- office equipment	3,184	2,797

10 Employees	2023	2022
	number	number
Average monthly number of employees during the year	21	20
The number of employees whose remuneration exceeded £60,000 was:		
£60,000-£69,999	1	2
£70,000-£79,999	1	1
£80,000-£89,999	1	1

Key management comprises the trustees, the chief executive and the senior management team. Total key management personnel remuneration was £349,168 (2022: £334,306).

Staff costs comprise:	2023	2022
	£	£
Salaries	822,139	783,305
Social security costs	87,322	83,178
Pension contributions	64,164	62,061
Other staff costs	25,417	15,253
	999,042	943,797

The AHF operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the AHF in an independently administered fund. At 31 March 2023 no pension contributions were outstanding (2022: £Nil).

11 Members of the Board

Some of the Members of the Board are also directors or trustees of, or consultants to, organisations that receive financial assistance from the AHF or with which the AHF has an arm's length business relationship. In those circumstances, the Member is required to disclose his or her interest at the meeting at which the application is considered and takes no part in the Board's decision on the application. Any financial assistance is given in the ordinary course of the AHF's activities. The following Members of the Board are involved with organisations which have received financial assistance from the AHF during the year: Menna Jones, Gregory Pickup, Ros Kerslake and Karen Latimer.

During the year, 9 Members (2022 - 6) of the Board incurred expenses for travel, accommodation and subsistence amounting to £3,610 (2022: £1,763); none received any remuneration from the AHF.

12 Commitments

Loan commitments	2023	2022
	£	£
The AHF had the following loan commitments at the year end:		
Contracted but not yet fully disbursed	839,179	1,439,378
Offered but not yet contracted	2,425,750	3,470,000
Total Commitments	3,264,929	4,909,378

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

12 Commitments (continued)

Operating leases

At 31 March 2023 the total of the AHF's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts payable:		
Amounts due within one year	28,134	20,958
Amounts due between two and five years	44,546	1,448
	<u>72,680</u>	<u>22,406</u>

In the year ended 31 March 2021 the charity entered into a sublease agreement to rent out office space in relation to its lease at 15 Whitehall, London. There were no amounts receivable at 31 March 2023 and the lease ended on 18 June 2023.

13 Fixed asset investments

	2023	2022
	£	£
Listed investments		
Market Value at 1 April 2022	2,363,817	3,438,140
Additions	4,726,125	246,145
Disposal proceeds	(573,473)	(1,396,482)
Unrealised gains/(losses)	(258,484)	(66,079)
Realised gains/(losses)	41,093	142,093
Market Value at 31 March 2023	<u>6,299,078</u>	<u>2,363,817</u>
Historical cost of investments at 31 March 2023	<u>6,350,086</u>	<u>3,217,846</u>

Additions include £3,289,676 Treasury 0% T-Bills 11/04/2023.

Analysis of investments

Listed equities	2,560,718	1,892,317
Treasury bills	3,297,410	-
UK investment grade bonds	440,950	471,500
	<u>6,299,078</u>	<u>2,363,817</u>

Cash held in the investment portfolio	92,048	1,069,071
12 Month cash deposits	-	900,000

Market Value of investments at 31 March 2023	<u>6,391,126</u>	<u>4,332,888</u>
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Reconciliation of net (losses)/gains in the Statement of Financial Activities

	2023	2022
	£	£
Unrealised (losses)/gains	(258,484)	(31,269)
Realised (losses)/gains	41,093	142,093
Net (losses)/gains as per Statement of Financial Activities	<u>(217,391)</u>	<u>110,824</u>

Significant investment holdings based on market value at 31 March 2023 were:

	Market Value (£)	Cost (£)
RATHBONE UNIT TRUST MGMT High Quality Bond S Dist	471,500	501,332
Treasury 0% T-Bill 11/04/2023	3,297,409	3,289,676

Market risks

The AHF's exposure to market risks is in line with its investment objective of achieving a real return target of CPI + 2% and improving the long term returns of the assets when compared to cash. To achieve this aim, the AHF maintains a diversified portfolio invested across asset classes.

14 Investment property

	2023	2022
	£	£
Friars Walk, Market Place, Burton upon Trent, Staffordshire: market value at year end		
Fair Value		
At 1 April 2022	-	530,000
Disposal	-	(530,000)
At 31 March 2023	<u>-</u>	<u>-</u>

Following a strategic review in March 2021, the board decided to proceed with the sale via auction of Friars Walk but as a tenanted property, as this was considered the best means of achieving a sale. On 3 September 2021, following the sale of the property, the charity realised a loss on disposal of £15,065.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

15 Other tangible assets		Computer equipment		£
	Cost			
	At April 2022			15,746
	Additions			2,803
	Disposals			-
	At 31 March 2023			<u>18,549</u>
	Depreciation			
	At April 2022			8,596
	Charge			3,574
	Disposals			-
	At 31 March 2023			<u>12,170</u>
	Net book value			
	At 1 April 2022			<u>7,150</u>
	At 31 March 2023			<u>6,379</u>

16 Intangible assets		Database		£
	Cost			
	At April 2022			-
	Additions			14,400
	Disposals			-
	At 31 March 2023			<u>14,400</u>
	Amortisation			
	At April 2022			-
	Charge			-
	Disposals			-
	At 31 March 2023			<u>-</u>
	Net book value			
	At 1 April 2022			<u>-</u>
	At 31 March 2023			<u>14,400</u>

During the year, database development costs were incurred, to develop a single application interface. This work was in progress at the year and a further £9,000 was committed to complete the project, which was finished in May 2023.

17 Loans disbursed for preservation projects		2023		2022
		£		£
	Loan capital	10,836,460		11,278,153
	Loan capital bad debt provision	<u>(1,295,753)</u>		<u>(1,358,221)</u>
		<u>9,540,707</u>		<u>9,919,932</u>

Programme related investments are stated net of provisions of £1,295,753 (2022: £1,358,221) and include £6,468,760 in loans outstanding which are due for repayment after more than one year (2022: £8,012,867). AHF Endowment loan capital outstanding is £7,275,660 (2022: £7,405,872) against which there is a £654,809 (2022: £1,036,822) bad debt provision. Heritage Impact Fund loan capital outstanding is £3,560,800 (2022: £3,872,281) against which there is a £640,944 (2022: £321,399) bad debt provision.

18 Creditors		2023		2022
		£		£
	Outstanding non-refundable grant offers	4,936,868		7,414,147
	William Grant Foundation - grant programme deferred income	110,000		-
	Historic England - Challenge fund advance	-		200,000
	Garfield Weston - Support officer and grants programme deferred income	-		58,336
	Trade creditors	37,616		67,274
	Tax and social security	23,048		23,081
	Accruals and deferred income	64,640		100,585
		<u>5,172,172</u>		<u>7,863,423</u>
	Deferred income			
	Deferred income as at 1 April 2022	63,660		119,268
	Amount added	110,000		4,024
	Income released in the year	(63,660)		(59,632)
	Deferred income as at 31 March 2023	<u>110,000</u>		<u>63,660</u>

Income deferred in the year relates to grant and other income specifically for future periods.

19 Creditors greater than 1 year

In February 2019, the company entered into a secured loan facility giving the company the option to draw down on funds of up to £2,000,000. Any funds drawn down will be repayable on demand and in full, with accrued interest, on or before 30 November 2023. Interest accrues on the loan at a rate of 1.75% above the published base rate of Barclays Bank Plc. The loan is secured over the fixed asset investments of the company including cash deposits, shares, bonds and securities of any other kind. During the year and up to the date of signing this report there was no draw down on the loan facility (2022: £Nil). The company remains compliant with its loan covenants.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

20 Provision

	2023	2022
	£	£
Provision		
Balance as at 1 April 2022	5,000	5,000
Balance as at 31 March 2023	5,000	5,000

In 2015, we assigned the lease of our office premises at 15 Whitehall to a new tenant. This tenant went into administration during the year ended 31 March 2019 and due to our automatic guarantee agreement with the landlord, and the fact that no other tenant had been found, we were required to provide for our obligations until the lease ends in June 2023. In July 2020 we secured a new tenant and the provision was updated to reflect our latest estimated obligations until the end of the lease.

21 Analysis of net assets by fund

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total Funds 2023
	£	£	£	£
Fund balances at 31 March 2023 represented by:				
Fixed assets - programme related investments	7,078,851	2,153,856	308,000	9,540,707
Fixed assets - investments	1,512,144	4,438,032	440,950	6,391,126
Fixed assets - computer equipment	-	-	6,379	6,379
Fixed assets - database	-	-	14,400	14,400
Current assets	768,495	4,251,769	1,530,129	6,550,393
Current liabilities	-	(5,046,868)	(125,304)	(5,172,172)
Provision	-	-	(5,000)	(5,000)
Total net assets	9,359,490	5,796,789	2,169,554	17,325,833

	Endowment Funds	Restricted Funds	Unrestricted Funds	Total Funds 2022
	£	£	£	£
Fund balances at 31 March 2022 represented by:				
Fixed assets - investment property	6,809,050	3,030,882	80,000	9,919,932
Fixed assets - programme related investments	858,028	2,000,000	1,474,860	4,332,888
Fixed assets - investments	-	-	7,150	7,150
Current assets	1,658,709	8,908,605	662,320	11,229,634
Current liabilities	-	(7,714,143)	(149,280)	(7,863,423)
Non current liabilities	-	-	-	-
Provision	-	-	(5,000)	(5,000)
Total net assets	9,325,787	6,225,344	2,070,050	17,621,181

22 Analysis of funds

	Unrestricted funds				
	Designated lending fund	General fund	Restricted fund	Endowment fund	Total
	£	£	£	£	£
Balance at 1 April 2022	1,502,844	567,206	6,225,344	9,325,787	17,621,181
Net movement of funds for the year:					
Loan bad debt write-offs and provisions	-	(37,285)	(358,185)	150,416	(245,054)
Surplus/(deficit) for the year	-	130,134	36,963	-	167,097
Gains/(losses) on investments	-	(22,815)	(77,830)	(116,746)	(217,391)
Transfers between funds	34,737	(5,267)	(29,503)	33	-
Balance at 31 March 2023	1,537,581	631,973	5,796,789	9,359,490	17,325,833

Transfers between funds

As a result of additional funding received in the year from the Department for Communities (NI) towards administration costs associated with HIF lending in Northern Ireland since 2019, a transfer of £29,503 was made from the restricted fund to the unrestricted fund .

In order to maintain general reserves of not less than one year's expenditure on core costs and initiatives, based on the average annual expenditure from unrestricted funds over the three year period ended 31 March 2023, £34,737 (2022: £49,545) was transferred from the general fund to the Designated lending fund. £33 (2022: £4,648) was transferred from the general fund to the endowment fund in agreement with Historic England, being the reallocation of certain withdrawn grant offers.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

22 Analysis of funds (continued)

Endowment fund

Source	Geographical area	2023 £
<i>Restricted for lending in geographical areas</i>		
Historic England		5,136,821
The Department for Digital, Culture, Media & Sport (DCMS)		435,000
	England	5,571,821
Historic Environment Scotland	Scotland	2,797,489
Cadw: Welsh Historic Environment service	Wales	443,126
<i>Not geographically restricted</i>		
UK Government	UK-wide	547,054
		<u>9,359,490</u>

Endowment funds restricted by source: analysis of movement during the year

	England £	Scotland £	Wales £	UK-wide £	Total £
Balance at 1 April 2022	5,508,111	2,819,652	446,636	551,388	9,325,787
Loan capital bad debt provisions - specific	89,481	-	-	-	89,481
Loan capital bad debt provisions - general	47,897	13,135	2,081	2,569	65,682
Loan interest bad debt provisions - specific	(6,363)	-	-	-	(6,363)
Loan interest bad debt provisions - general	1,616	-	-	-	1,616
(Losses)/Gains on investment	(68,954)	(35,298)	(5,591)	(6,903)	(116,746)
Transfer of funds	33	-	-	-	33
Balance at 31 March 2023	<u>5,571,821</u>	<u>2,797,489</u>	<u>443,126</u>	<u>547,054</u>	<u>9,359,490</u>

Restricted funds

	Balance at 1st April 2022 £	Income £	Expenditure £	Gains/(losses)	Transfers £	Balance at 31st March 2023 £
Grants in support of core initiatives:						
Historic England: Transforming Places Through Heritage	-	1,978,010	(1,929,433)	-	-	48,577
Historic England: Capacity Building	-	33,394	82	-	(33)	33,443
Historic Environment Scotland	-	464,000	(464,000)	-	-	-
Cadw: Welsh Historic Environment Service	-	350,000	(350,000)	-	-	-
Dept for Communities Northern Ireland (NI)	19,178	-	(19,178)	-	-	-
Dept for Communities NI Village Catalyst	-	177,450	(173,460)	-	-	3,990
Dept for Communities NI: Heritage Impact Fund	912,000	43,500	(54,960)	-	(29,470)	871,070
Historic England: Heritage Impact Fund	316,000	-	(187,521)	-	-	128,479
Historic Environment Scotland: Heritage Impact Fund	447,304	-	(26,249)	-	-	421,055
Cadw: Heritage Impact Fund	317,000	-	(14,386)	-	-	302,614
National Lottery Heritage Fund: Heritage Impact Fund	2,160,000	42,158	(139,174)	-	-	2,062,984
DCMS GCETH	16,362	-	(16,362)	-	-	-
Garfield Weston	37,500	58,336	(93,576)	-	-	2,260
The Pilgrim Trust	-	48,332	(48,332)	-	-	-
Reclassified England lending funds	1,000,000	-	-	(38,915)	-	961,085
Reclassified Scotland lending funds	1,000,000	-	-	(38,915)	-	961,085
	<u>6,225,344</u>	<u>3,195,180</u>	<u>(3,516,549)</u>	<u>(77,830)</u>	<u>(29,503)</u>	<u>5,796,642</u>
Grants in support of the Tailored Support Fund						
William Grant Foundation	-	107,000	(106,853)	-	-	147
Restricted funds total	<u>6,225,344</u>	<u>3,302,180</u>	<u>(3,623,402)</u>	<u>(77,830)</u>	<u>(29,503)</u>	<u>5,796,789</u>

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2023

Purpose of Restricted Funds

Grants in support of core initiatives fall into the following categories: the AHF's Project Viability Grants, Project Development Grants, Crowdfunding Challenge Grants and Capital Grants, as well as general funding in support of these schemes and related aspects of the AHF's core aims and objectives.

The Heritage Impact Fund launched in early 2019 and has been offering loan finance from the early part of 2019/20 for up to five years. The HIF is a joint initiative with funding contributions from the National Lottery Heritage Fund, Historic England, Historic Environment Scotland, Cadw, Department for Communities Northern Ireland and the Architectural Heritage Fund itself. Additionally, Rathbone Greenbank Investments is associated by providing loan facilities to the AHF. This provision of social investment supports applicants across the UK who are undertaking a heritage capital project or are looking to build upon or scale-up an existing enterprise. Alongside the Heritage Impact Fund is our business support service: RePlan. This launched in the Autumn of 2019 and is assisting community and social enterprises accessing finance through the Fund to develop stronger governance and impact and business models.

The Heritage Impact Fund restricted fund balances carried forward at 31 March 2023 primarily comprise lending funds. These funds will not be expended through the Statement of Financial Activities other than through movements in the bad debt provision or any future amounts repayable to funders.

Transforming Places through Heritage awarded its first grants in September 2019; the programme ran until March 2023. The programme focused on supporting projects in town centre and high street locations across England, with provision for Project Viability and Development Grants, Crowdfunding Challenge Grants, Transformational Capital Grants and a suite of affiliated activities including a Community Shares equity offering being managed by Cooperatives UK and a Capacity Building Workshop series being led by the Heritage Trust Network and Locality.

The AHF's grant programmes offer advice and guidance alongside and sometimes in lieu of grant funding, across England, Scotland, Wales and Northern Ireland. This support aims to assist local communities seeking to rescue and re-utilise a historic building which they value. The AHF places particular emphasis on targeting help towards supporting community enterprises that wish to set up and/or grow their businesses in historic buildings, particularly those that are at risk and/or transferred from public ownership. Programmes in each of the four nations are led by a Development Manager, with Support Officers working under the Manager in England and Scotland.

During 2021/22, there were four withdrawals from grants made during 2019/20, which were themselves awarded using funding withdrawn from grants originally offered during the 2016-19 Growing Community Enterprise through Heritage programme funded by DCMS. These grants were to offer early-stage support towards heritage regeneration projects. One PVG was awarded in 2021/22, and by agreement with Historic England the remaining funding was rolled over to be awarded during 2022/23, when two additional grants were awarded, fully expending the funding available.

Following the completion of the Village Catalyst pilot programme in 2021, the DfC and Department for Agriculture and Rural Affairs affirmed their commitment to this scheme by expanding it to run over four years, with the AHF continuing to offer support to build the capital pipeline with PVGs and PDGs, as well as advice.

A new grant fund was launched in Scotland in 2018/19, the 'Tailored Support Fund', thanks to funding from the William Grant Foundation (WGF), which has committed £100,000 in grants per annum since, renewed in bi-annual tranches, with 7% overhead support.

23 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2023	2022
	£	£
Net income/(expenditure) for the year	(295,348)	324,645
Adjustments for:		
Depreciation	3,574	3,576
Net losses/(gains) on investments	217,391	(76,014)
Interest and rents from investments	(737,229)	(624,728)
(Increase)/decrease in debtors	904,637	(584,427)
Increase/(decrease) in creditors	(2,691,251)	(281,674)
(Decrease)/increase in provisions	-	-
Net cash provided by/(used in) operating activities	(2,598,226)	(1,238,622)

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The Architectural Heritage Fund
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Charity Number: 266780
Scottish Charity Number: SC043840
Financial Services Register number: 707421