

AHF | The Architectural
Heritage Fund

Building a better
future from our past

Annual Report 2015-16

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www.ahfund.org.uk



Our ambition is to ensure as many people as possible can enjoy the cultural, social and economic benefits of a vibrant and well-managed architectural heritage.

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Annual Report 2015-16
Building a better future from our past

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OVERVIEW

About the AHF

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

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

We seek to achieve our objects primarily by providing advice, information and financial assistance in the form of early project grants, competitive short-term loans and other forms of investment, to projects that have the potential to deliver substantial cultural, social and economic benefits in places where they are needed most

The AHF translates its charitable objects into a mission statement and strategic objectives, as follows

Mission

To use our knowledge, experience and resources to ensure as many people as possible can enjoy the cultural, social and economic benefits of a vibrant and well-managed architectural heritage

Objectives

Objective One To support people, communities and organisations to take ownership, repair and adapt historic buildings and places for new sustainable uses

Objective Two To attract more investment for the conservation and sustainable re-use of the UK's architectural heritage

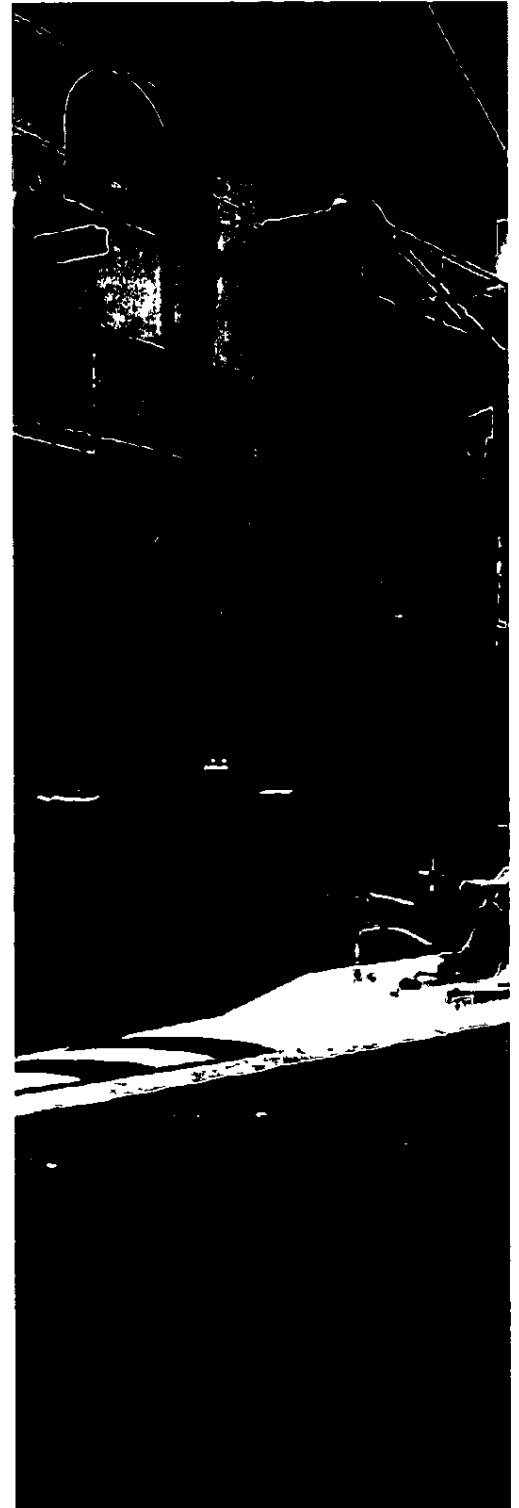
Objective Three To inspire the start-up and growth of new community enterprises that utilise historic buildings and places for public benefit

Objective Four To demonstrate the value of a well managed historic environment by championing and showcasing the impact of the projects we have supported

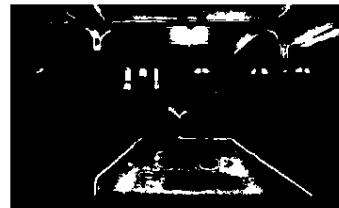
Implementation of policy

Annual income is derived from interest on loans and bank deposits, Government grants for particular programmes, donations and legacies, and sundry other sources This income is used to finance the AHF's grant-making activities and to cover its operating costs

In most years, the primary cost of generating voluntary income is internal, involving negotiation with, and reporting to, the AHF's three Governmental funders



Over 500 projects supported and/or funded by AHF during 2015/16



Clockwise from left
Knockando Wairm 1, Maray / Photography © Colin McLean
West Boatouse, Glasgow Green / Photography © Colin McLean
Pipe Factory (Phase 1), Glasgow / Photography © SIG OHA
Kings Pier, Sussex
Arson Gate, Bristol / Photography © Nick Church

OVERVIEW

About the AHF

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 educational and capacity-building programmes as well as with financial support – the AHF's public impact is significant both locally and nationally.

Our impact

Since 1976 the AHF has awarded loans with a total value of £124m to 900 projects across the UK and has made more than 1,200 individual early project grant offers totalling over £10m.

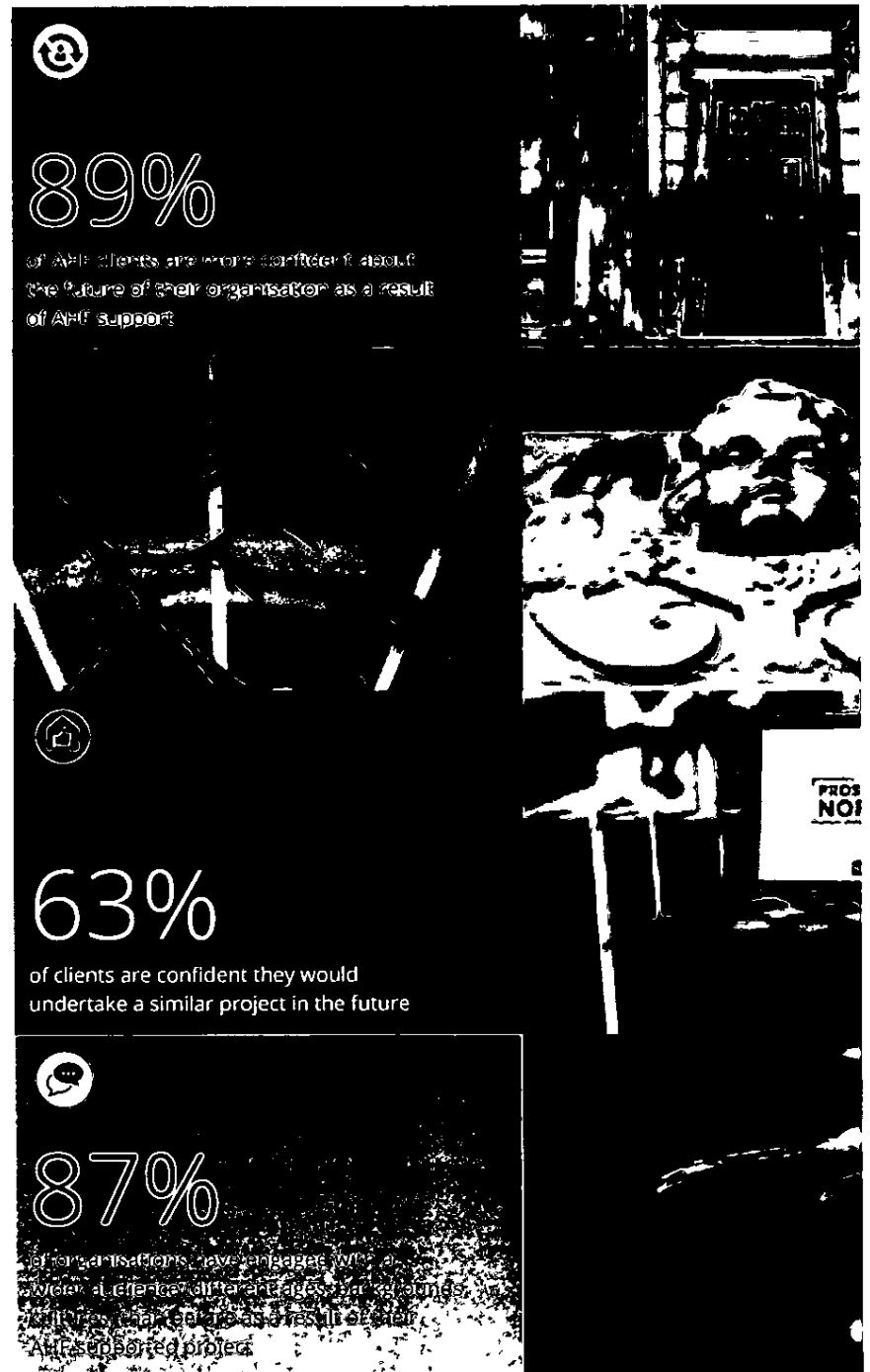
Since 2000

293 projects have been completed as a result of an AHF investment of £3.7m of grants and £46.5m of loans, leveraging in over £402.5m from other sources, including £151m from the National Lottery and £171m from trusts, foundations and commercial investment.

● Since 1976 the AHF has awarded loans to 900 projects across the UK

CLIENT OUTCOMES

Based on a survey of AHF clients from the last 15 years





93%

of AHF clients have an increased appreciation of heritage as a result of their project



71% of clients believe that AHF support has increased their credibility to other potential funders and 71% say that AHF support helped them secure additional funding from other organisations



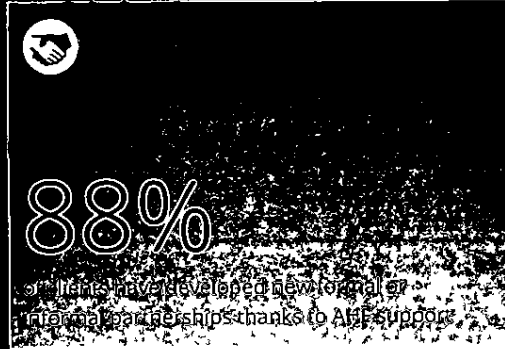
66%

of AHF-supported projects have resulted in the re-use of a historic building and seven out of ten AHF clients consider themselves more financially sustainable as a result of the AHF support



2,000

at least 2,000 people have developed new skills in community engagement, as well as 1,000 people in business planning, strategic development, financial and project management and fundraising



88%

of clients have developed new formal or informal partnerships thanks to AHF support

OVERVIEW

About the AHF

COMMUNITY OUTCOMES

Based on a survey of AHF clients from the last 15 years

77%
of the population of the buildings restored as a result of the AHF supported projects

19,000+
local community members have been directly involved in projects over the last year (either coming to meetings or volunteering their time)

350+
community services are being provided from buildings restored thanks to AHF support

4,000+
volunteers have been involved in AHF supported projects

261,000+
people have attended events held as a result of an AHF supported project of which at least 20,000 are children or young people, and at least 2,000 are adults from disadvantaged groups

GVA £106m
AHF-supported projects have added at least £106m Gross Value Added to local businesses during the building works phase

2,000+
local jobs have been created as a result of AHF supported projects



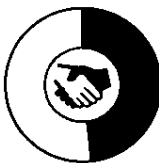
OVERVIEW

The year in numbers

ADVICE



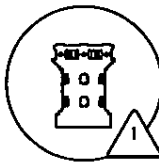
550
enquiries responded to by the AHF, in 2015-16



270
were new clients



421
enquiries were about projects that are seeking to repair and find new uses for listed buildings



152
enquiries were about historic buildings officially designated as 'at risk'



35%
of queries related to projects involving a potential Asset Transfer



1/3
one third of all enquiries related to projects involving community businesses

GRANTS



97
grant applications were received in 2015-16, requesting a total of just under £1m



64 grant offers were made, amounting to
£375,033

£ £ £ £ S **£210,200** was offered to projects in Scotland

£ £ £ £ **£155,433** was offered to projects in England

£ £ W **£6,400** was offered to projects in Wales

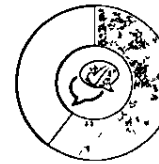
£ NI **£3,000** was offered to projects in Northern Ireland



23
grant offers were for buildings listed at the highest grades – Grade I and II* in England and Wales, Category A in Scotland



26
grant offers were for buildings on national 'at risk' registers



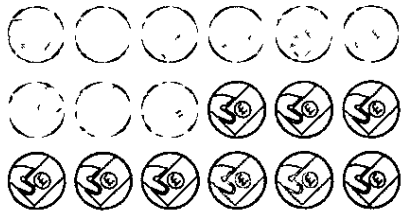
63%
of grantees (40 out of the 64) were organisations that had never previously applied for AHF funding

LOANS

(£) £13,283,970
 AHF managed capital funds for lending in the UK comprising

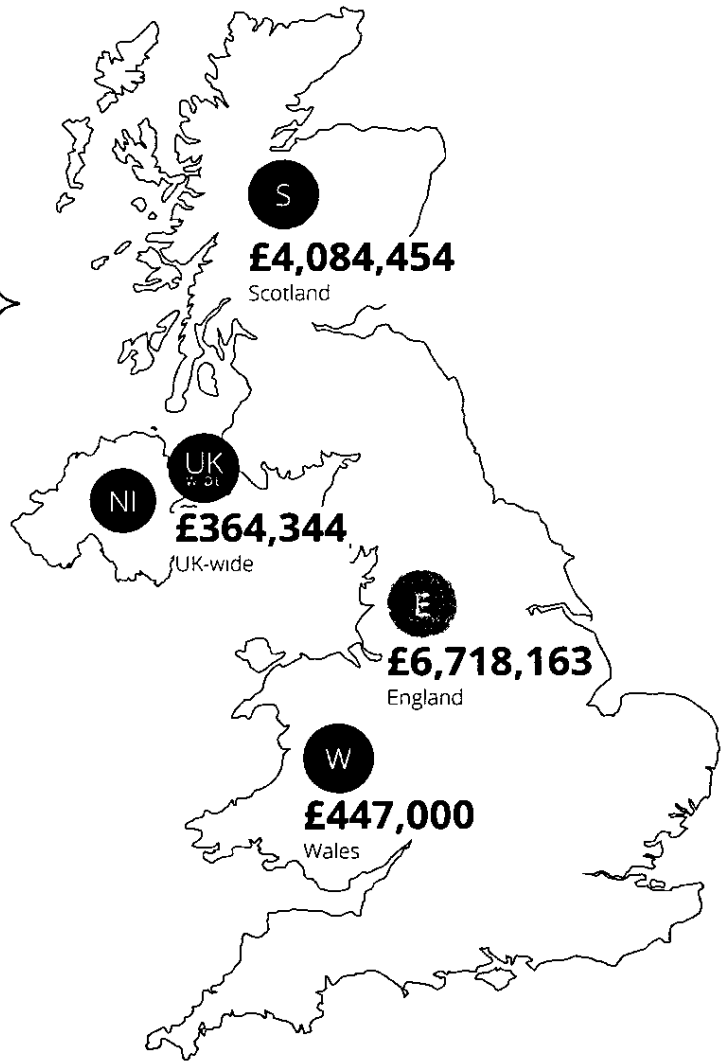
▲£▼ £1,670,009
 Unrestricted designated lending fund

£11,613,961
 Endowment funding restricted by source, which comprises



18
 loan offers totalling just over

£3m
 (£2m in new lending and £1m in extensions)



total of community shares the AHF has purchased from five of its Borrowers

FROM THE CHAIRMAN

*Liz Peace CBE
Chairman*

It is a pleasure to introduce the AHF's annual report for 2015-16, my first as Chairman

I was delighted and honoured to be asked to take over as Chairman of the AHF, an organisation with which I was very familiar during my tenure as Chief Executive at the British Property Federation. I have always been struck by the tremendous contribution the AHF and its clients make to the conservation of this country's valuable and irreplaceable architectural heritage. I have seen first-hand how communities across the UK can benefit from projects that repair and re-use historic buildings that have become run-down and neglected. Breathing new life into these wonderful assets can help people feel more positive about their place, encouraging them to take inspiration from their past and gain more confidence about their future.

Against a backdrop of unprecedented political, economic and social changes, the opportunities for communities to take responsibility and ownership of their local heritage assets continue to grow. The imaginative and creative re-use of historic buildings has the potential to bring communities together by providing inspiring spaces that can be shared by everyone and from which new relationships can be forged and new enterprises can flourish. The need for the AHF's advice, grants and loans services is greater now than at any time in our forty-year history.

Over the last year we have implemented a comprehensive reform programme, reducing our costs and strengthening our governance, to ensure the AHF is in the best possible shape to respond to the opportunities presented and the demands imposed by an ever-changing external environment. We have expanded our front line services by substantially increasing the amount of money we distribute in the form of grants and loans and by recruiting more support officers with the skills and experience that our clients need. We have also listened to the requirements of our borrowers and introduced an equity investment strategy, whereby we can provide

long-term finance to enterprises through the purchase of community shares. These developments have been made possible by the very generous donations received from our Government funders, particularly from the Department for Culture, Media and Sport, Historic England, Historic Environment Scotland and the Welsh Government.

Much has been achieved over the last year and we have good reason to look ahead with renewed optimism. For this, the AHF owes a great debt to its previous Chairman, Merlin Waterson, who stepped down in September 2015 after initiating many of the structural changes the organisation required. Merlin made a huge personal contribution to the AHF over his extraordinary 16-year tenure as a Trustee, and he must take credit for many of the achievements listed in this report.

We have also said goodbye to Michael Hoare, Douglas Reid and Roy Dantzig, all of whom made a significant contribution to the AHF as Trustees before retiring at the end of their respective terms on the Board. They will be sorely missed. As Deputy Chairman, Roy Dantzig also had a direct hand in the reform of the AHF and I am particularly grateful for his support during the first few months of my chairmanship. On a more positive note I am delighted to welcome Roy Hodson to the Board. Roy brings considerable expertise to the AHF as a result of his 26 years as a partner of PricewaterhouseCoopers (PwC), the largest professional services firm in the world. Roy has agreed to chair the AHF's Audit & Risk Committee, a role he also performed for PwC.



"I have seen first-hand how communities across the UK can benefit from projects that repair and re-use historic buildings that have become run-down and neglected. Breathing new life into these wonderful assets can help people feel more positive about their place, encouraging them to take inspiration from their past and gain more confidence about their future"

THE CHIEF EXECUTIVE'S REPORT

*Ian Morrison
Chief Executive*

My first year at the AHF has been both challenging and rewarding in equal measure. It has been an absolute pleasure to witness the positive impact of the projects we support, transforming the quality of the built environment and providing hope, inspiration and life-changing opportunities to people across the UK. Of course, credit for the achievements of the projects listed in this report rests primarily with the community organisations that deliver them and particularly with the extraordinary individuals who freely dedicate so much of their time and energy to help others. Yet, the impact measurement work we have undertaken this year unequivocally demonstrates the AHF's vital role with supporting these groups and people along their journey, giving them the resources and confidence to realise their goals. We could not do what we do without our highly dedicated employees and contracted support officers or the incredible generosity of those who sponsor us.

Our effectiveness is increased where we work in partnership with others, and over the last year we have strengthened our relationships with other key organisations, including Historic Environment Scotland, Historic England, the National Trust, Civic Voice, the Heritage Alliance, Power to Change, the new Department for Communities in Northern Ireland, Cadw and the Welsh Government, and of course the Heritage Lottery Fund. We are especially delighted to see the re-birth of the Building Preservation Trust movement in the form of the Heritage Trust Network, a vital partner for the AHF and with whom we hope to collaborate closely in the future. We have also enjoyed working with CAN Invest on our impact measurement framework, a tool that allows us to report on the difference we make and to guide the development of our services.

As we go into our 41st year, our motivation remains to ensure the benefits of our precious architectural heritage reach as many people as possible. I am confident that we will see further expansion and improvements to our advice, grants and loan services over the years ahead. We will continue to target our resources effectively, influence and work in partnership with others, ensure we are efficient in all that we do, and reach out to communities that need our help most and where the impact of our work will be most strongly felt.

Finally, and with great sadness, we recently learned of the passing of Rosemary Watt, the AHF's first administrator and a key driving force behind the expansion of the Building Preservation Trust movement throughout the 1970s and 1980s. As a result of her selfless dedication, enthusiasm, knowledge and personable approach, Rosemary directly encouraged more and more people to set up trusts and take up the challenge of giving new life to much-loved historic buildings. Her contribution to the UK's heritage was rightly recognised with the award of an MBE in 1989. The AHF was very fortunate to enjoy her services for 15 years up to her retirement in 1990. We send our sincere condolences to Rosemary's family and friends.



"We will continue to target our resources effectively, influence and work in partnership with others, ensure we are efficient in all that we do, and reach out to communities that need our help most and where the impact of our work will be most strongly felt"

TRUSTEES' REPORT

Achievements against our strategy Objective One

To support people, communities and organisations to take ownership, repair and adapt historic buildings and places for new sustainable uses

The AHF offers early project advice, grants and investment to projects that have the potential to deliver substantial cultural, social and economic benefits. We are frequently the first point of contact for most community groups who are seeking to rescue and re-utilise a historic building which they value. AHF support is often crucial in helping communities develop their initial ideas and make successful bids for project funding, particularly from the Heritage Lottery Fund (HLF). Therefore, our seed grants lever in substantial additional investment.

We have continued to consolidate and grow our support for community-led schemes to repair and re-use historic buildings at risk, by providing more advice, grants and loans, and by disseminating information about our work and that of our clients.

Advice

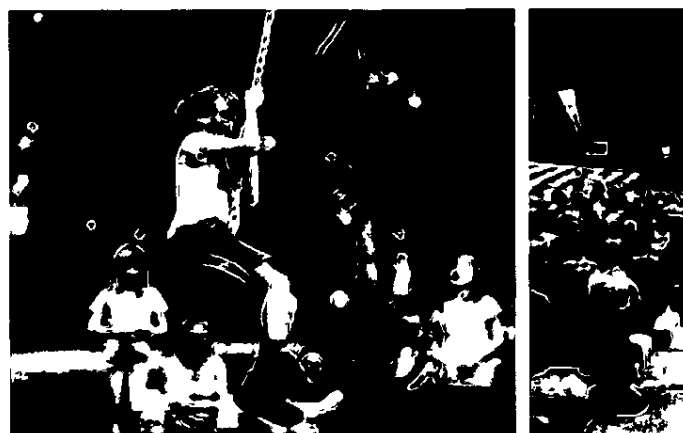
Over the last year we responded to more than 550 enquiries from community organisations seeking guidance on rescuing historic buildings that were important to them. The vast majority of projects involved buildings that are either listed or in a conservation area (or both), and 50% of these are either formally designated as 'at risk' or considered to be under immediate threat.

Of the 550 enquiries responded to, 270 (just under 50%) were from community organisations which had not had any contact with the AHF before. This is an encouraging sign and early vindication of our strategy to broaden our client base beyond the traditional Building Preservation Trust (BPT) organisations and to reach out to new audiences, particularly from the community development sector.

The majority of enquiries were related to early project development, where advice was sought on governance, project viability and project planning, and fundraising. This is as expected and reflects the AHF's focus on providing guidance early on and setting our clients off down the right path, saving time and money.

However, we also received a significant number of enquiries from organisations that had already successfully delivered at least one project and were looking to move on to another. This is a very encouraging development that suggests Building Preservation Trusts in particular are responding to new opportunities created by the transfer of publicly-owned heritage assets and by new sources of funding (such as the Heritage Lottery Fund's Heritage Enterprise grant programme) and are becoming more active after a relatively quiet period over recent years. Approximately 35% of queries related to projects involving a potential asset transfer.

The distribution of enquiries from across the UK illustrates the impact of the AHF's Support Officers, of which we currently have four operating in England and one in Scotland. 80% of enquiries were from England and 17% from Scotland, whereas only 3% were from Wales and Northern Ireland.



*Clockwise from right
Lowther Castle, Cumbria
Non-conformist Chapel, Sheffield
General Cemetery / Photography © Matt MacFreck
Kerrygrove Park Bandstand, Glasgow*

●
550 enquiries were responded to by the AHF over the last year

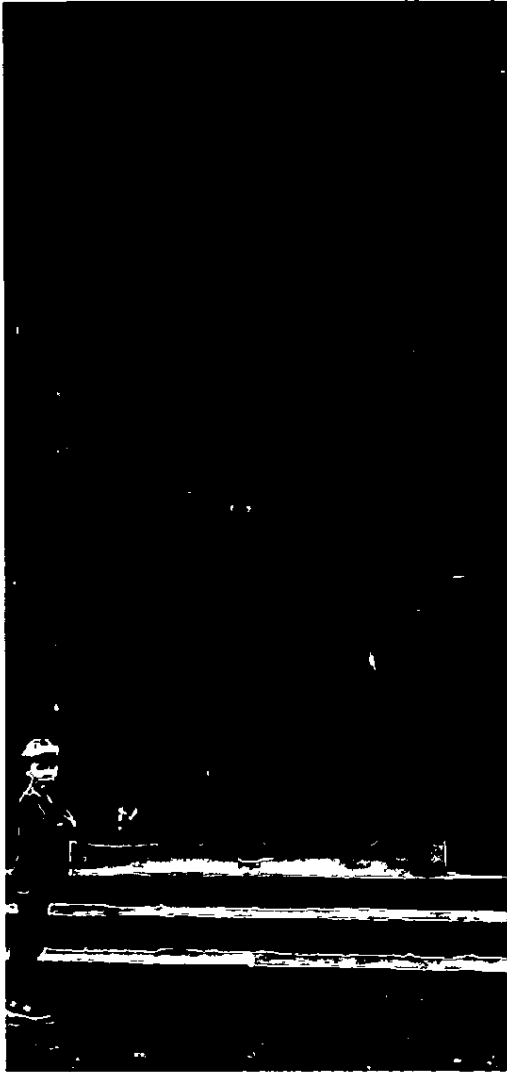


Table 1 / About the Project

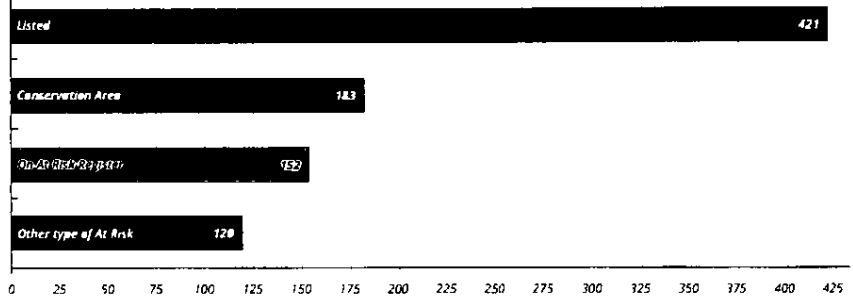


Table 2 / Type of Enquiry

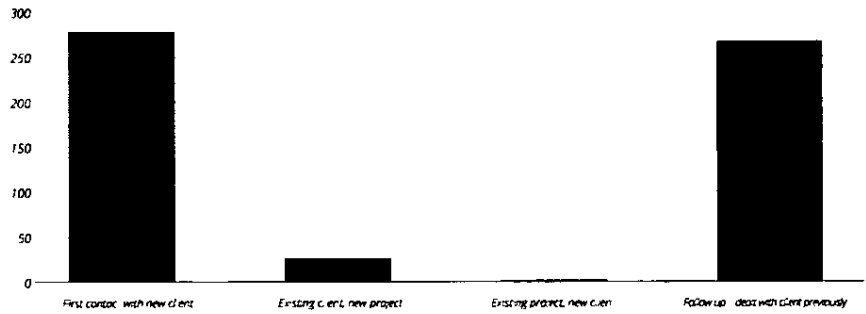


Table 3 / Theory of Change Project Journey

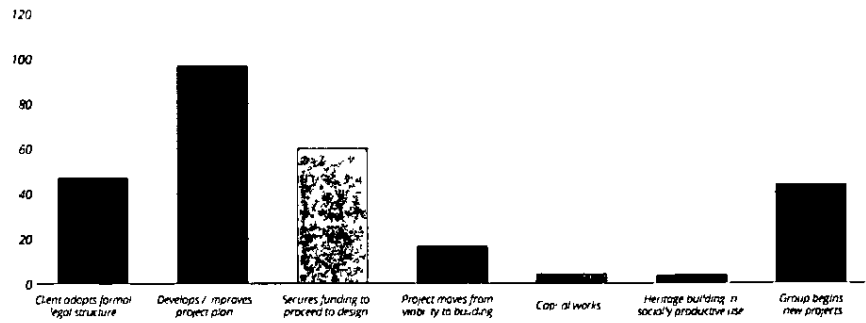
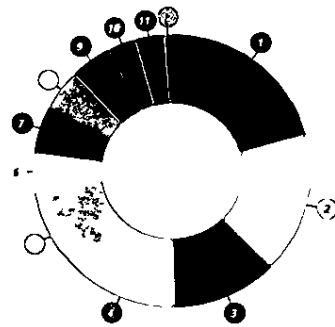


Table 4 / Region or Nation

- 1 19.5% / England / South West
- 2 17% / Scotland
- 3 13.5% / England / South East
- 4 13% / England / North West
- 5 10% / England / East Midlands
- 6 8% / England / West Midlands
- 7 5.5% / England / East
- 8 5.5% / England / Yorkshire & Humber
- 9 4.5% / England / London
- 10 3% / Wales
- 11 2% / England / North East
- 12 0.5% / Northern Ireland



TRUSTEES' REPORT

Achievements against our strategy Objective One

Grant-making

Last year we undertook a comprehensive review of our grant programmes, application criteria and processes, seeking the views of our funders, our clients and the sector to ensure we are offering the right form of financial support at the right time and in the right places. The review concluded that our two grant programmes are still fit for purpose, but greater transparency was needed to demonstrate how we make decisions on applications. As a result, we have produced new guidance that clearly sets out how we assess applications and that explains the outcomes we are seeking to achieve with our funding. We have placed greater emphasis on community businesses and on social impact in addition to our continuing support for heritage at risk.

The AHF offers two grant programmes, which are financed by grant-aid from Historic England, Historic Environment Scotland and Cadw, and from interest income derived from AHFs lending function and bank deposits.

Project viability grants

The project viability grant (PVG) scheme is intended to provide an initial assessment of the viability of bringing an eligible historic building back into sustainable use and the social and economic impact that will be achieved as a result. In particular, the assessment will be required to explore the evidence of the need for, and the sustainability of, the building's suggested use, especially with a view to the likely requirements of grant funders. Viability Appraisals are essential for any community enterprise start-up seeking to develop a business plan and attract investment.

2 grant programmes are offered by AHF, financed by grant-aid and interest income

Project development grants

The project development grant (PDG) is intended to assist applicants with the costs of developing and co-ordinating a building repair or conversion project after basic viability has been established and up to the point the project goes on site. Grants may be applied for in stages according to the needs of the project as it progresses.

The AHF received 97 grant applications in 2015/16, requesting a total of £974,167. Demand continued to rise throughout the year, with the result that whilst we were able to support two-thirds of the organisations from which applications were received, we could only provide 40% of the funding requested. In many cases we offered less grant than was applied for, but in every case the applicant was able to make up the shortfall with funding from elsewhere. The reason for the increase in demand is unclear, although greater numbers of projects involving community organisations taking over former publicly-owned buildings suggests that asset transfer is likely to be a significant factor.

64 grant offers were made, amounting to £375,033. Of this total, £210,200 was offered to projects in Scotland, £155,433 to projects in England, £6,400 in Wales and £3,000 in Northern Ireland. Further details of these grants are set out below.

23 grant offers were for buildings listed at the highest grades – Grade I & II* in England and Wales, Category A in Scotland. 26 grant offers were for buildings on national at risk registers: the Buildings at Risk Register for Scotland (18) and the Heritage at Risk Register maintained by Historic England (8).

40 out of the 64 grantees (63%) were organisations that had never previously applied for AHF funding, demonstrating that our policy to broaden our client base is working well.

● Early project grants at-a-glance

97 grant applications were received by the AHF in 2015/16, requesting a total of £974,167

2/3 of the applications submitted were offered help, but only 40% of the funding requested was provided

64 grant offers were made in 2015/16 by the AHF, totalling £375,033

£210,200 worth of grants offers were made to projects in Scotland

£155,433 to projects in England

£6,400 to projects in Wales

£3,000 to projects in Northern Ireland

63% of grantees were organisations that had never previously applied for AHF funding

Loans and other investment

Loans and other forms of investment (i.e. community share purchases) are available for the purposes of working capital and/or acquisition, and in some instances bridging facilities and business development. The recipient should usually have, or acquire, title to the project building. In most cases the AHF requires security for the loan, either in the form of a formal repayment guarantee or a first charge over any property to which a free and marketable title can be offered.

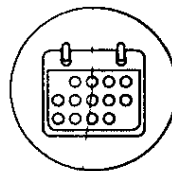
The extent to which the AHF is able to implement its policies is determined by the level of demand for its services and by the size of its funds. The endowment fund, a capital fund devoted to the provision of loans, is composed of Government grants and private sector donations made since 1976. The endowment fund cannot be spent, however, it may incur capital losses on loans or other investments.

2015/16 was a year of transition for the lending function of the AHF. Due to a general position of full commitment of our capital there was no requirement to promote proactively the loans programme, with latent demand proving sufficient to replace those facilities repaid during the year. As we entered 2016/17, owing to both the redemption of several large loans and the generosity of our funders, a significant amount of capital has again been made available and the AHF is expanding its programmes to reach a greater number of social enterprises and community businesses. The Investment Team, which administers the loan book and manages all lending-related activity, has recently doubled in size and will be looking to launch new loan programmes in the year ahead.

Summary of current loan book

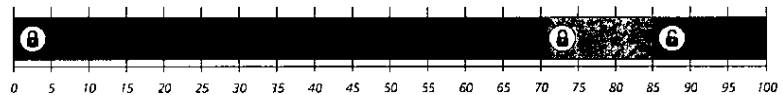


£ 35 loan facilities have been disbursed either partially or in full



51% are due to be redeemed within 18 months

49% are due to be redeemed between 18 months and 5 years

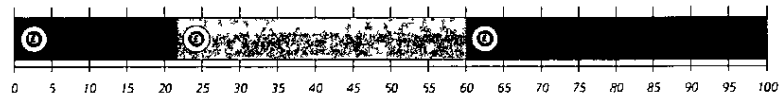


71% of facilities are secured by a legal charge

14% by a guarantee

11% are unsecured

4% the remainder is secured by alternative means



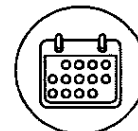
22% of borrowers are making regular interest and capital payments during the terms of the loan

37% are making regular interest payments

41% will make no scheduled payments until the loan is redeemed



10 further loan offers, as yet undisbursed, have been made



12 - 36 all have a term between 12 months and 36 months

TRUSTEES' REPORT

Achievements against our strategy Objective One

In accordance with our policy of promoting the sustainable conservation of historic buildings, the AHF is prepared to take considered financial risks if the social impact of a particular scheme is considered sufficient to warrant this. We mitigate this risk by setting aside a proportion of our funds as bad debt provision (currently estimated as 4.2% of loan disbursements, based on historical data).

During 2015/16, 18 loan offers were made to organisations across the UK - to borrowers both new to the AHF, and existing - totalling over £3m (£2m to new borrowers and £1m in extensions to existing borrowers). A short programme of community share purchase, which was completed just ahead of the end of the financial year, also saw the AHF take £435,000 of shares in five of our existing clients.

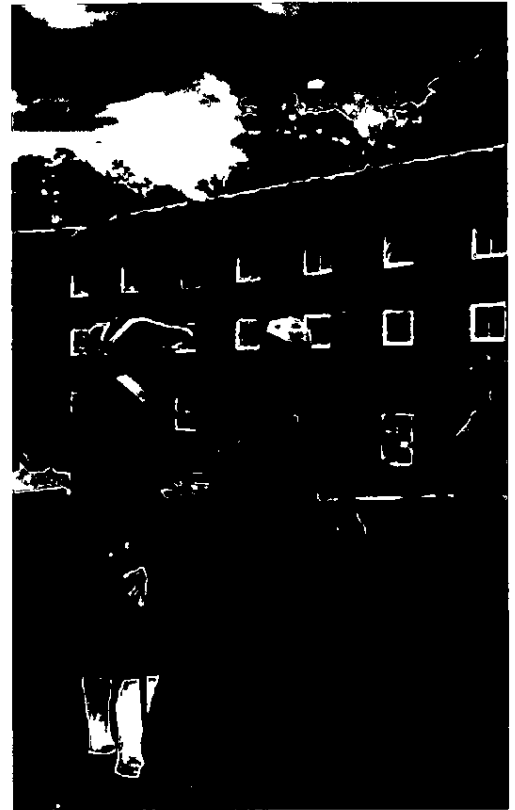
The total amount of AHF managed capital funds for lending in the UK are £13,283,970 comprising:

Unrestricted designated lending fund of £1,670,009, and

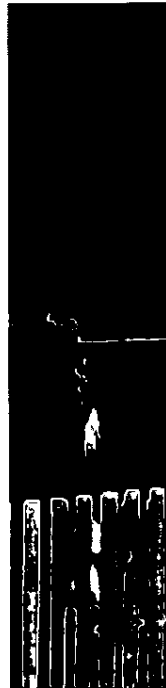
Endowment funding restricted by source of £11,613,961

Of the endowment funding of £11,613,961, £500,000 is held as property, £435,000 as community shares and £891,226 is set aside for bad debt provision.

At the end of March 2016, the aggregated loan portfolio showed a drawn balance of £6,532,155 across 36 unique borrowers, with a further £2,776,990 committed but not yet disbursed. Given our current lending commitments of £9,309,145, as of 1 April 2016 the AHF had £2,148,599 available for lending to new projects. It is our intention to commit fully these funds during the course of the next 18 months as we introduce our new loan programmes.



£13,283,970
total sum of AHF managed
capital for lending in the UK



Anti-clockwise from above
 Cuzens Theatre, Glasgow / Photography © Colin McLean
 O'park Carnegie Library, Belfast
 Cramford Mills, Derbyshire / Photography © Ashley Franklin Photography
 Rockfield Centre, Olan

Performance of loan book

During 2015 a Portfolio Management System (PMS) was introduced to provide a more structured monitoring process of the AHF's existing loans. All borrowers are now routinely contacted every quarter to provide performance data required under the terms of the loan agreements. The PMS also includes a traffic light system to categorise loans by risk of default. The current status of the loan book is as shown below.

Current status of the loan book

Category	Description	Risk of default	Percentage of loan book
Undrawn	Loans offered but not disbursed	Low	27%
Green	Loans disbursed Payments made on schedule and Balance sheet and cash flow forecasts show no concern	Low	52%
Amber	Loans disbursed Payments deferred and/or Balance sheet and cash flow forecasts show signs of weakness	Medium	11%
Red	Loans disbursed Payments missed and Balance sheet and cash flow forecasts show signs of weakness	High	2%
Non-performing	Loans disbursed Loan unlikely to be repaid in full Bad debt provision made for a proportion of the outstanding loans	High	8%

TRUSTEES' REPORT

Achievements against our strategy Objective Two

To attract more investment for the conservation and sustainable re-use of the UK's architectural heritage

The AHF's approach to encouraging communities develop new enterprises in historic buildings has evolved over the last 40 years. We know that the introduction of our Support Officers and early project grants in addition to our loans have made a huge impact. Together they provide a highly effective and proven model of support. Demand for all of our services – advice, grants and loans – has increased consistently over the last few years, partly as a result of an escalation in the transfer of heritage assets from government ownership and partly because of growing interest in historic buildings by community businesses.

We have sought to keep pace with this demand by making the case for further investment from our government sponsors, and they have responded generously. During 2015/16 we received significant contributions of £1,233,485 to our endowment funds for onward investment, comprising:

£435,000 from the Department for Culture, Media and Sport, to finance a community share purchase scheme.

£567,485 from Historic Environment Scotland, for lending to historic building regeneration projects in Scotland.

£231,000 from the Welsh Government, also for lending to historic building renovation projects in Wales.

The core purpose of the AHF is to provide acquisition and working capital loans for historic building projects. It is our ambition to grow significantly our loan book and increase the size of our restricted lending resources over the coming years.

However, our advice and grant programmes are equally important. During 2014 we commissioned an evaluation of how our work is perceived by external stakeholders. The results unequivocally demonstrated the crucial role AHF early project grants and Support Officers play in helping communities find sustainable (and often commercial) uses for locally valued buildings. On the back of our evaluation work, we were able to secure a three-year funding agreement with Historic England to extend the contracts of the four current Support Officers through to 2019. We have also received £3m new funding from the Department for Culture, Media and Sport, announced in the Culture White Paper¹, to appoint an additional four Support Officers for three years, bringing the total number operating in England to eight. A similar funding agreement is being sought with Historic Environment Scotland to extend our Support Officer services in Scotland for another three years. Also, we are currently taking forward negotiations with government agencies, trusts and foundations that are active within Wales and Northern Ireland to see whether we can extend our support officer network to cover the whole of the UK.

●
8 AHF Support Officers
now operating in England
through until at least 2019

¹ https://www.gov.uk/government/uploads/attachment_data/file/416000/culture-white-paper.pdf





The additional £3m of Government funding for the AHF is almost entirely for frontline services, and as a result our annual grants budgets for the UK has increased by nearly 300% to £1,145,000 each year for the next three years. This investment will also allow us to respond to the growing demand for early project grants as communities take on the ownership and management of heritage assets previously looked after by the state. Our research has shown that these grants will help our clients undertake essential early project development work. Nine out of 10 of the AHF's clients credit our support with building their credibility with other funders and seven out of 10 have secured significant additional funds directly as a result of the AHF's help.

A survey of projects completed between 2000 and 2015 showed that AHF grants totalling £3.7 million and loans worth £46.5 million helped finance the rescue of 293 historic buildings at risk across the UK. These completed projects levered in an impressive £402 million in additional investment. Moreover, an analysis of a sample of projects that benefitted from an early development grant indicated that they were far more likely to achieve success with their grant application to the Heritage Lottery Fund than those that had not received AHF grants.

We estimate that up to £285m will be secured for the conservation and sustainable re-use of the UK's architectural heritage as a direct result of the increase in our grant giving over the next three years.

Strathclyde Building Preservation Trust SBPT Legacy Fund

Late in 2015 the Members of the Strathclyde Building Preservation Trust decided to close after 30 years of operation and transfer its remaining funds of £69,000 to the AHF to form a 'SBPT Legacy Fund', with the explicit intention of supporting another charitable organisation to complete the restoration of Shawmuir Lodge in Pollok Park in Glasgow. Should these funds not be spent for this purpose, they will be re-allocated to support other deserving built heritage projects within the former Strathclyde region. The AHF was pleased to assist SBPT in this way and to ensure all of the trust's charitable funds are invested in the conservation and sustainable re-use of the UK's architectural heritage. No fee is being charged for the administration of the SBPT Legacy Fund and the full £69,000 will be invested.

We hope the SBPT Legacy Fund will set a useful precedent for other trusts and foundations that are no longer active and who wish to find a more efficient mechanism for achieving their charitable objectives that meets the requirements of the Charity Commission and Office of the Scottish Charity Regulator (OSCR).



Left to right
Dunoon Burgh Hall, Argyll & Bute
Ashman Gate, Bristol / Photography © Nick Church
Ashman Gate, Bristol / Photography © Nick Church
Pipe Factory (Phase 1), Glasgow / Photography © SIG OHA

TRUSTEES' REPORT

Achievements against our strategy Objective Three

To inspire the start-up and growth of new community enterprises that utilise historic buildings and places for public benefit

In 2015 we took the strategic decision to prioritise support for community businesses based in locally valued historic buildings, as we believe such enterprises have greater potential to deliver positive social and economic impact. Our research has shown that AHF-supported projects over the last 15 years have contributed at least £106m GVA (Gross Value Added) to local businesses during the building works phase. We want to extend this significant contribution to the local economy beyond the completion of renovation work by encouraging our clients to establish trading businesses that will bring sustained commercial activity to areas that are often in greatest need of investment.

We have sought to meet this objective by encouraging greater participation from heritage groups with new voluntary sector enterprise initiatives, such as HLF's Heritage Enterprise grant programme, the Power to Change Trust's Community Business Fund and the Big Lottery Fund's Big Local scheme.

We have worked particularly closely with HLF to promote its Heritage Enterprise grant programme, establishing close links between our locally-based Support Officers and development staff in HLF's regional offices and working together to produce a common template for project viability reports. As of 31 March 2016, nearly 40% of all projects that had achieved a Heritage Enterprise grant (amounting to £35m in total grant value) had benefitted from an AHF early project grant or loan.

We expect this proportion to grow over the coming years, given that Heritage Enterprise is still a relatively new programme (launched in 2013) and there is a significant pipeline of AHF-supported projects under development that are intending to apply to the grants programme.

Our Support Officers are pivotal in building enterprise in the heritage sector, often acting as a bridge to bring together heritage groups with social enterprises, 88% of our clients have developed new formal or informal partnerships thanks to AHF support. Our early project grants help community groups test out the viability of their project ideas, develop credible plans, and build the skills they need to run commercial enterprises from their restored historic building, our grants have helped over 1,000 individuals achieve new skills in business planning, finance and strategic development. We intend to build on this success by recruiting additional Support Officers with specific skills in business planning, social investment, public relations and marketing and community engagement.



Over 1,000 individuals have been helped by our grants to achieve new skills



It is still early days but our client data indicates that interest in heritage by community enterprises is growing, partly as a response to the AHF's proactive approach to building relationships. The majority of enquiries and applications received by the AHF continue to be from charitable companies limited by guarantee but there has been a modest but significant increase in interest from other types of organisations, including Community Benefit Societies (ComBens), Community Interest Companies (CICs) and Charitable Incorporated Organisations (CIOs). These legal organisational forms are far more likely to be operating principally as a commercial entity, deriving most of their income from trading activities.

We will continue to work closely with our partners in the heritage sector and with community business networks to develop creative new ways for using heritage for social and economic good, and we will seek to identify and focus on places where the impact of our work will be greatest. A comparison of our client data with statistics on the growth of new community enterprise² suggests there is good potential to develop new partnerships particularly in the West Midlands and Yorkshire and Humber regions, which have a high density of new community business start-ups but where AHF activity is relatively low compared to the rest of the UK. We want to build on our past successes, which over the last 15 years have seen more than 350 community services and 500 businesses being established and run from buildings restored as a result of AHF support. These enterprises have created at least 1,000 new FTE jobs and 4,000 training opportunities.

2 h p //bi ly2cq8o6g

Clockwise from left:
 Dunoon Burgh Hall, Argyll & Bute
 Paul Floyd Glass Artist and Rednif School
 Lye and Wallscote Cemetery Chapel, Dudley, West Midlands
 O'dpark Carnegie Library, Belfast
 Pipe Factory (Phase 1), Glasgow / Photography © SIG OIA

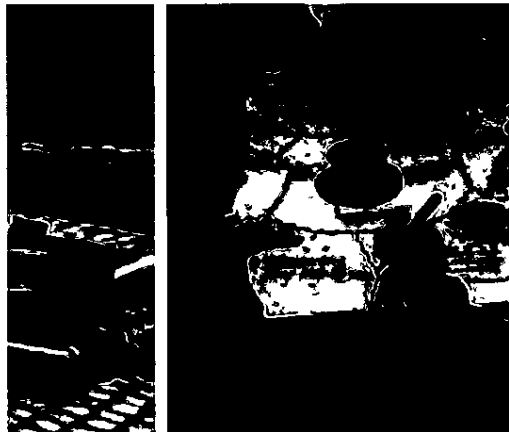
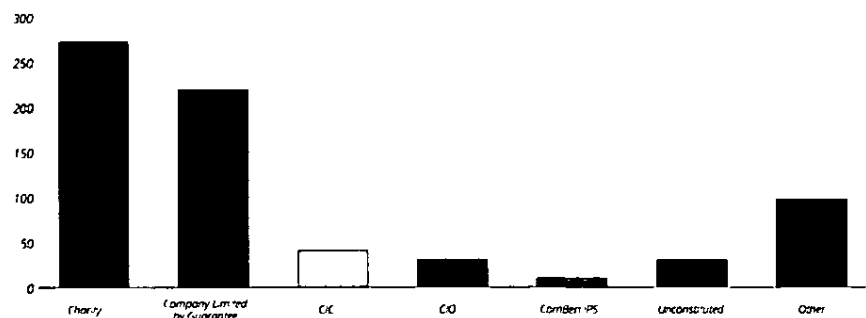


Table 5 / Client Type



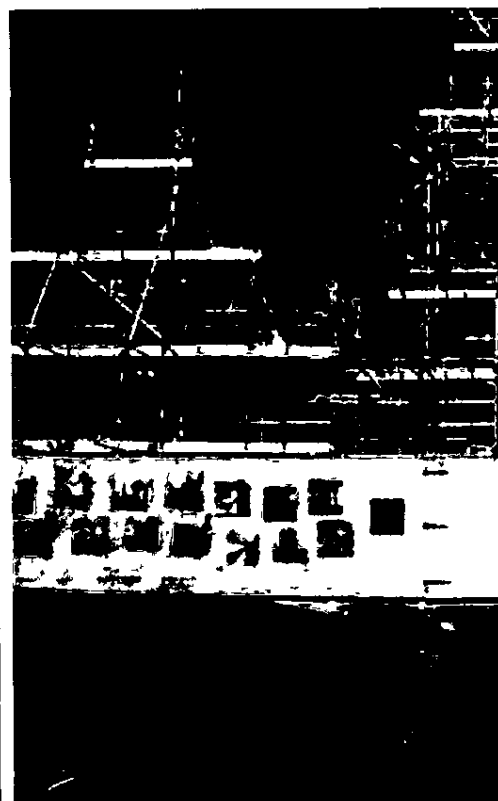
TRUSTEES' REPORT

Achievements against our strategy Objective Four

To demonstrate the value of a well-managed historic environment by championing and showcasing the impact of the projects we have supported

Raising the profile of the AHF and of our clients is critical if we are both to capitalise existing funding and to achieve greater investment in the future at a time of reduced public spending and increased competition for funding from grant-providers, institutional investors and private donors. To unlock this funding, we needed to improve the way we measure and report on the difference that has been achieved with our support. The first stage of this process was the development of a Theory of Change³ model that identifies the difference we want to achieve through our advice, grants and loans services. We worked on this model with the help of CAN Invest, a social enterprise that specialises in social impact and investment. The model clearly sets out the social and economic outcomes we hope to achieve through the interventions we make. We group the outcomes into three categories: outcomes for the organisation, for individuals and society, and for the state.

To complement this model, we have developed an impact measurement framework that allows us to capture and robustly measure the extent of the outcomes achieved by our interventions. This in turn facilitates the production of an annual summary impact assessment that demonstrates the difference the AHF has achieved. We have produced online survey forms that our clients are now asked to complete on a regular basis, from which the data provided allows us to track the social and economic outcomes achieved by the supported projects over time. In order to establish a baseline of data we asked all the organisations that had benefitted from AHF financial support over the last 15 years (540 clients) to complete a survey. To help encourage participation from longer-established groups, we offered a prize: every charitable organisation that was still active who completed a survey was entered into a draw to win a one-off donation of £1,000 towards their charitable objectives. The winner, selected at random, was Gracehill Old School Trust in Northern Ireland. We received over 130 completed surveys, enough to produce a statistically robust impact report, a full copy of which is available to download from the AHF website⁴ (including details of the methodology employed). As expected, the findings are testament both to the importance of AHF interventions early on in the development of projects and to the wide-ranging social and economic benefits of the projects themselves.



540 clients, over 15 years contacted to complete a survey to assess social and economic outcomes of a project

³ ahfund.org.uk/roc
⁴ ahfund.org.uk/mpac



The results of our first impact measurement survey are set out in the overview and throughout this report. As well as shedding light on the direct positive outcomes achieved as a result of AHF support (benefits to the client) and the indirect outcomes (benefits to society), the survey also highlighted a number of issues relating to the health of the heritage sector more generally and which might be of concern. e.g. less than a third of AHF clients have undertaken any evaluation of their project, no organisation has more than 25% of its trustees from BAME backgrounds, and 36% of AHF clients do not have sufficient reserves to cover more than one month's worth of operational expenses (although this is slightly better than the wider charitable sector where NCVO benchmark data suggests 42% of operating charities have no free reserves at all). The survey also found that of the projects that did not proceed, one quarter said that the decision to stop was as a direct result of AHF-funded studies, which had demonstrated the lack of viability on economic, market demand, sustainability or other grounds. This can be seen as a positive outcome as we estimate that at least £51m (and possibly as much as £800m) has been saved that would otherwise have been spent on projects that were not viable.

In summary, our impact measurement work has illuminated our ability to showcase the projects we have supported and report on the positive difference they have made to their communities. In addition, we now have a baseline of data against which we can measure the progress of our interventions and from which we can learn and develop new policies and approaches.

Towards the end of the year we also introduced our new website, with case studies that we hope will inspire other communities to instigate projects to save and productively use historic buildings that are at risk in their local areas. The website is attracting over 500 unique visitors each month since its launch. We will continue to add more case studies as our work develops over the coming years and as we come across examples of innovation, creativity and/or best-practice. These will provide a body of evidence that we can use to champion the benefits of investing in heritage.



Left to right
 Rockfield Centre, Oban
 Lye and Walscombe Cemetery Chapel, Dudley, West Midlands
 Ashton Gate, Bristol / Photography © Nick Church
 Lye and Walscombe Cemetery Chapel, Dudley, West Midlands
 Knockando Walmill, Maray / Photography © Colin McLean

COMPLETED CASE STUDIES

England | Wales | Scotland | Northern Ireland

As with previous years, the projects that have been completed this year come from all over the UK and involve the rescue and revitalisation of a remarkable variety of historic buildings of different architectural styles and periods. In their own way all of them have made a significant contribution to the communities in which they sit. Highlights include the re-opening of Cleveland and Hastings Piers, the completion of the first Heritage Enterprise project in Scotland at Portsoy, the rescue of the Oldpark Carnegie Library in Belfast and the conversion of the Grade II Plas Kynaston into starter homes in Wrexham. The work of the Welsh Georgian Trust at Plas Kynaston and the North East Scotland Preservation Trust at Portsoy, together with the achievements of Romsey & District BPT, Heritage BPT, and West Midlands Historic Buildings Trust, clearly demonstrate the continuing vital role of revolving fund trusts in the rescue of historic buildings for public benefit. The need for these organisations, and the new Heritage Trust Network that represents them, is as great as it has ever been.

2015/16 Completed case studies

England

- 1 | p25 | Argos Hill Windmill, Mayfield
- 2 | p26 | Clevedon Pier, North West Somerset
- 3 | p27 | Building 7, Cromford
- 4 | p28 | Dronfield Hall Barn, Dronfield
- 5 | p30 | Bute Mills, Luton
- 6 | p31 | Old Bluecoat School, Thatcham
- 7 | p32 | Hastings Pier, Hastings
- 8 | p34 | 5 Latimer Street, Romsey
- 9 | p35 | Lye & Wollescote Cemetery Chapel, Dudley

Wales

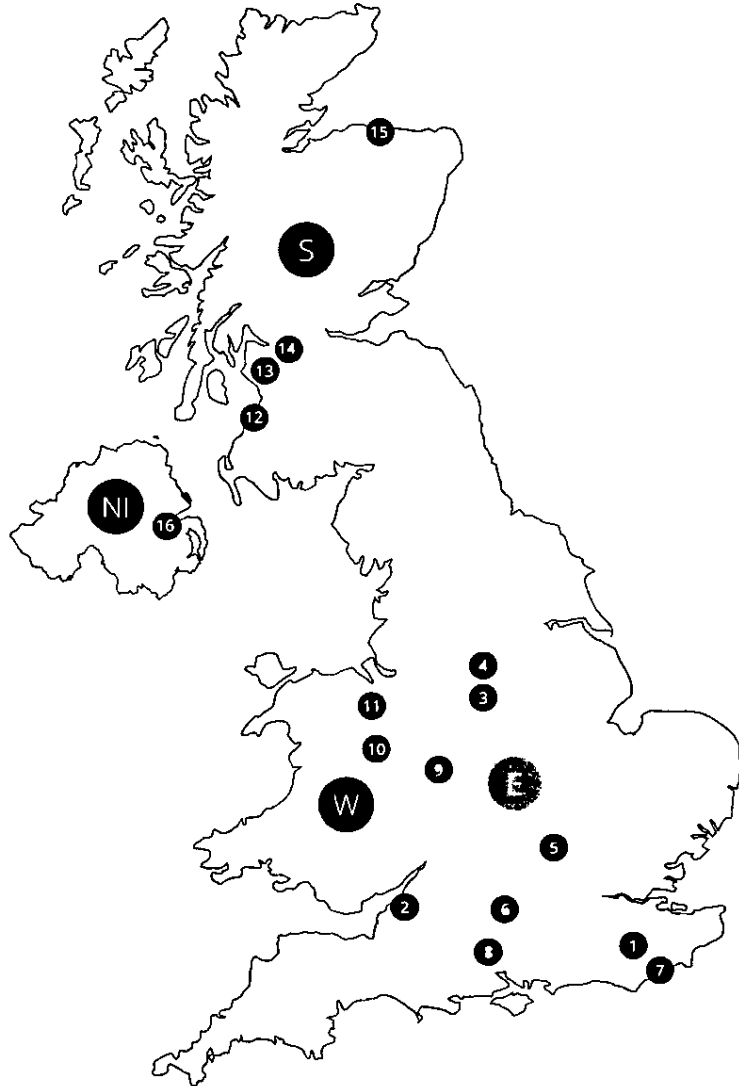
- 10 | p36 | Llarfyllin Workhouse History Centre, Powys
- 11 | p37 | Plas Kynaston, Wrexham

Scotland

- 12 | p38 | Belleisle Conservatory, Ayre
- 13 | p40 | 29 Braehead, Beith
- 14 | p41 | The Pipe Factory (Phase 1), Glasgow
- 15 | p43 | Sail Loft, Back Green, Portsoy

Northern Ireland

- 16 | p44 | Oldpark Carnegie Library, Belfast



ARGOS HILL WINDMILL

Mayfield, East Sussex | England
 Argos Hill Windmill Trust | www.argoshillwindmill.org.uk

Status
 Grade II*
At Risk Register?
 Yes Historic England – Heritage at Risk Register

AHF Funding:
 2012-13 £2,386 Cold Spots Grant
 2014-15 £23,000 Challenge Fund Grant

Argos Hill Windmill is one of only fifty surviving post mills in the UK. The earliest form of windmill, it is designed so that the mill body can rotate around its central post to face the wind. When it was built in around 1835, industrial activity was widespread in the countryside, in quarries, sawmills and forges. The mill processed the grain grown by its neighbouring communities, with a bake house nearby producing bread.

After its closure, the windmill passed into local authority ownership. Added to the Heritage at Risk Register after years of decline, in 2008 it was proposed for dismantling. A local campaign led to the formation of the Argos Hill Windmill Trust, which took on a 99-year lease of the mill in 2011 and has secured its restoration.

The interior, with all its machinery intact, and mill body are fully restored and sweeps reinstated. Newly built steps enable people to see inside, with a digital tour available in the Roundhouse for those unable to make the climb, together with interpretation to tell the story of the Mill. A programme of open days, group visits and outreach to local schools will start in autumn 2016.

Whilst the major repairs were undertaken by a millwright, significant sections of work have been undertaken by volunteers, contributing their skills and gaining new ones. The whole community has been involved, whether in supporting fundraising events or offering help, a testament to the importance they attach to this local heritage landmark.

“AHF’s support and advice has been invaluable, and helped us to secure other funding for the project.”

Richard Howes, Trustee
Argos Hill Windmill Trust

Professional team	
Chartered Building Surveyor (Project Manager)	
John Moat, Douglas Moat Practice	
Structural Engineer	
James Tasker, Campbell Reith Millwright	
Jeremy Hole Engineering Ltd	

Other project funders	£
Heritage Lottery Fund	100,000
Wealden District Council	88,000
Trust’s own resources (incl donations, local fundraising)	46,211
Andrew Lloyd Webber Foundation and Historic England (Challenge Fund)	23,000
Charles Hayward Foundation	3,000
Rotherfield Trust	2,000
Total	262,211



CLEVEDON PIER

Clevedon, North-West Somerset | England
 Clevedon Pier and Heritage Trust | www.clevedonpier.co.uk

Status	AHF Funding
Grade I	1990 Loan £110,000
At Risk Register?	2016 Loan £140,000
No	2016 Community Shares £80,000



Clevedon Pier is the only intact Grade I listed Pier in the UK. It is located at the northern end of Clevedon seafront, overlooking the Bristol Channel, and offers a glimpse of Victorian elegance. It is open 364 days of the year and is also the stopping-off point for up to 4,000 passengers annually from paddle steamer and boat trips. It was built in 1869 using discarded rails from Brunel's broad-gauge South Wales Railway, and cost £10,000 to construct. The Pier has a chequered history and was almost lost due to the spiralling costs of its upkeep and lack of maintenance that resulted in a partial collapse in October 1970 during a Local Authority biannual load test. Following a Public Inquiry in 1980, during which John Betjeman gave evidence, Clevedon Pier and Heritage Trust was formed to acquire the pier on a long lease and take forward a major rebuilding and refurbishment scheme with the help of an AHF loan that secured its immediate future. The Pier was reopened in 1989 with the final restoration of the Pier Head being completed in 1998.

Recognising that the Pier's appeal to visitors and the local community needed to be enhanced in order to sustain it in the long term, the Trust formulated a plan to generate further appropriate income-generating opportunities, and in 2012 approached capital funders and the AHF for further working-capital finance. The proposal was to incorporate a new building hosting a range of visitor facilities in the Pier's access ramp, requiring the removal of 800 tonnes of rock. It now offers wider accessibility to all, with hands-on visitor exhibits on Clevedon and its surroundings, a community archive with links to local schools, a restaurant and shop, a venue for parties, weddings, meetings and events and, it claims, 'the best fishing for miles around'. The community has supported the venture strongly by contributing £250,000 from around 1,100 investors toward the Community Share issue, and in March 2016, the AHF was also able to purchase a further £80,000 worth of shares to further assist the project finances. The project was nominated for a Historic England 'Angels' award, and won the prestigious People's Vote in October 2016.

Professional team

- Architect and Project Manager
O'Leary Goss Architects
- Cost Consultant
Trevor Humphreys Associates
- Structural Engineer
BDP
- Building Services Engineer
Houghton Greenlees & Associates
- Contractor
Beard

Other project funders

	£
Heritage Lottery Fund	720,000
Coastal Communities Fund	825,000
J Paul Getty Jnr Charitable Trust	75,000
Garfield Weston Foundation	50,000
Charles Hayward Foundation	15,000
North Somerset Council (\$106) funding	50,000
Clevedon Town Council	35,000
The Hawthorns Retirement Clevedon	15,000
Donations/ fundraising	30,110
Non AHF community shares	250,000
Total	2,200,000

"Although appropriate professionals contributed throughout, the AHF provided the forethought, energy and perseverance to deliver the scheme"

Historic England website
 Angels Award nomination



Images for left and top / Photography © Craig Auckland / fotohaus

CROMFORD MILLS – BUILDING 17

Cromford, Derbyshire | England
 Arkwright Society | cromfordmills.org.uk

Status

Grade I Derwent Valley Mills World Heritage Site

At Risk Register?

No

AHF Funding

2008-10 £25,000 Project Development Grant

2013 / 2015 £510,000 Loan

The mill complex at Cromford in Derbyshire has been described as the most important preserved textile heritage site in the world. It is from these buildings that Sir Richard Arkwright developed technology that gave rise to the industrial revolution by creating the modern factory system. It was inscribed as a UNESCO World Heritage Site in 2001, along with other settlements making up the Derwent Valley Mills, due to the unique survival of mills and early industrial communities along the river Derwent. For much of the 20th century the site was occupied by a colour works producing pigments for dyes and paints and the resulting contamination has presented significant challenges. The Arkwright Society is the AHF's longest-established regular client – an AHF loan enabled the Society to buy Cromford Mills in 1979, over 200 years after the first mill was constructed. In the decades since, the Society has carried out an on-going programme of repairs and conservation to rescue this important industrial site at risk.

Building 17, the largest Grade I listed building on the site, now serves as a 'Gateway' to the World Heritage Site, with visitor facilities on the ground floor including a 3-D interactive model of the site and film introduction, the 'Arkwright Experience' virtual reality AV show, heritage interpretation, shop and information point signposting visitors to places of interest along the 15 mile length of the World Heritage Site.

The four upper floors have been converted into 'Cromford Creative' – managed workspace units in an environment designed to encourage creativity and innovation. The £6.8 million project is the first of four Masterplan phases which will ultimately allow the site to generate the income it needs to become self-sustaining. AHF grants at the development stage were critical to enabling major funding bids to be developed and an AHF loan provided working capital for the project.

The project itself directly created 6 new jobs at the Arkwright Society as well as over 100 new opportunities for volunteers.

"The Arkwright Society is a completely different organisation now to what it was 6 years ago. The Building 17 project has been an integral part in that change and AHF have played a major role in helping us make it happen."

Sarah McLeod, Chief Executive
 The Arkwright Society

Professional team

Architect
 Purcell Miller Tritton
 Quantity Surveyor
 Rawlinson Associates
 Structural Engineer
 Eastwood & Partners
 Valuation Surveyor
 Smithies
 Project Co-ordinator
 David Trevis Smith

Other project funders

	£
Heritage Lottery Fund	4,095,400
ERDF	1,059,445
Monument Trust	250,000
AIM Biffa	112,500
Garfield Weston Foundation	100,000
JP Getty Charitable Trust	100,000
Headley Trust	60,000
Others	182,055
Volunteer time	823,300
Total	6,782,700



All photography courtesy © Ashley Franklin Photography

DRONFIELD HALL BARN

Dronfield, Derbyshire | England

Dronfield Heritage Trust | www.dronfieldhallbarn.org

Status

Grade II*

At Risk Register?

Yes Derbyshire County Council

AHF Funding

2008-09 £8,635 Options Appraisal Grant

2012-13 £17,500 Project Development Grant

2011-14 £9,535 Cold Spots Grant



Dronfield Hall Barn is built around the oak king post framework of an early 15th century timber-framed manor house, the oldest surviving domestic building in this Derbyshire town. It was converted to a barn in the 17th century by cladding in sandstone and roofing in stone slate. The building was gifted to Dronfield Heritage Trust, together with surrounding land, in June 2005, after having been unused for over ten years. At this time it was in poor condition and rapidly deteriorating.

AHF options appraisal and project development grants enabled the Trust to consult extensively with the local community and identify a viable use for the building. Over 3,000 townspeople voted for the building to be a heritage, natural history and arts centre. A successful Heritage Lottery Fund bid in 2012 enabled this vision to be realised, with the building opening to the public in February 2016. The building was given a first floor with the Mediaeval timbered roof topping a high quality exhibitions gallery and functions space. The ground floor provides a heritage visitor centre and refreshment area. A modern extension accommodates a catering kitchen, visitor cloakrooms and an education/seminar facility.

The Trust created a unique partnership scheme for the principal heritage, natural history and arts groups in the town. Their members become members of the Trust, their experienced volunteers develop and deliver activities and the Trust provides professional help with membership management, finance, event bookings and publicity. This has provided a ready-made audience and total memberships now exceed 1,000. Their subscriptions, publications and activity participation fees provide 50% of core income and room letting fees for catering, functions and meetings provide the remainder. Their members book space for family parties and similar and provide the core of the 120+ daily visitor count.

Professional team

- Architects
- Mitchell Proctor
- Quantity Surveyors
- Patrick Meads and Associates
- Structural Engineers
- Project Design Associates
- M & E Design Consultants
- EP Consulting
- Main Contractors
- Wm Birch and Sons Ltd

Other project funders

	£
Heritage Lottery Fund	1,269,400
Local donations	188,979
Vindor Credits	149,000
Garfield Weston Foundation	40,000
Charles Hayward Foundation	2,500
Total	1,649,879

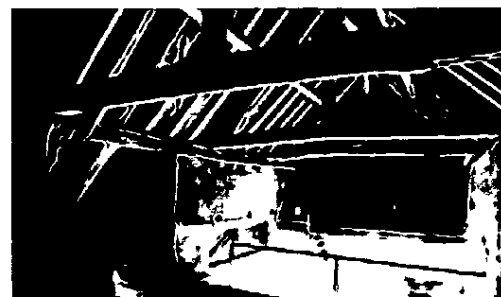
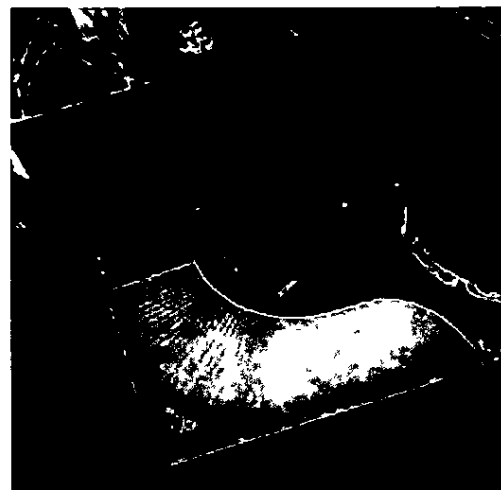
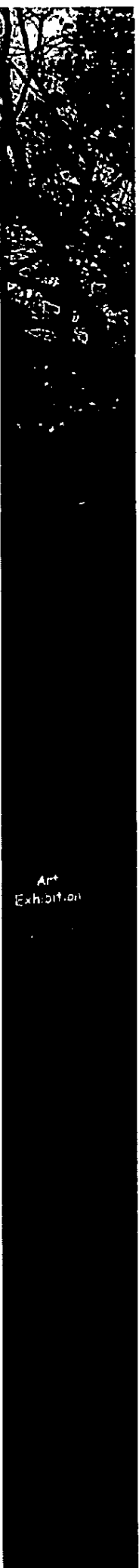
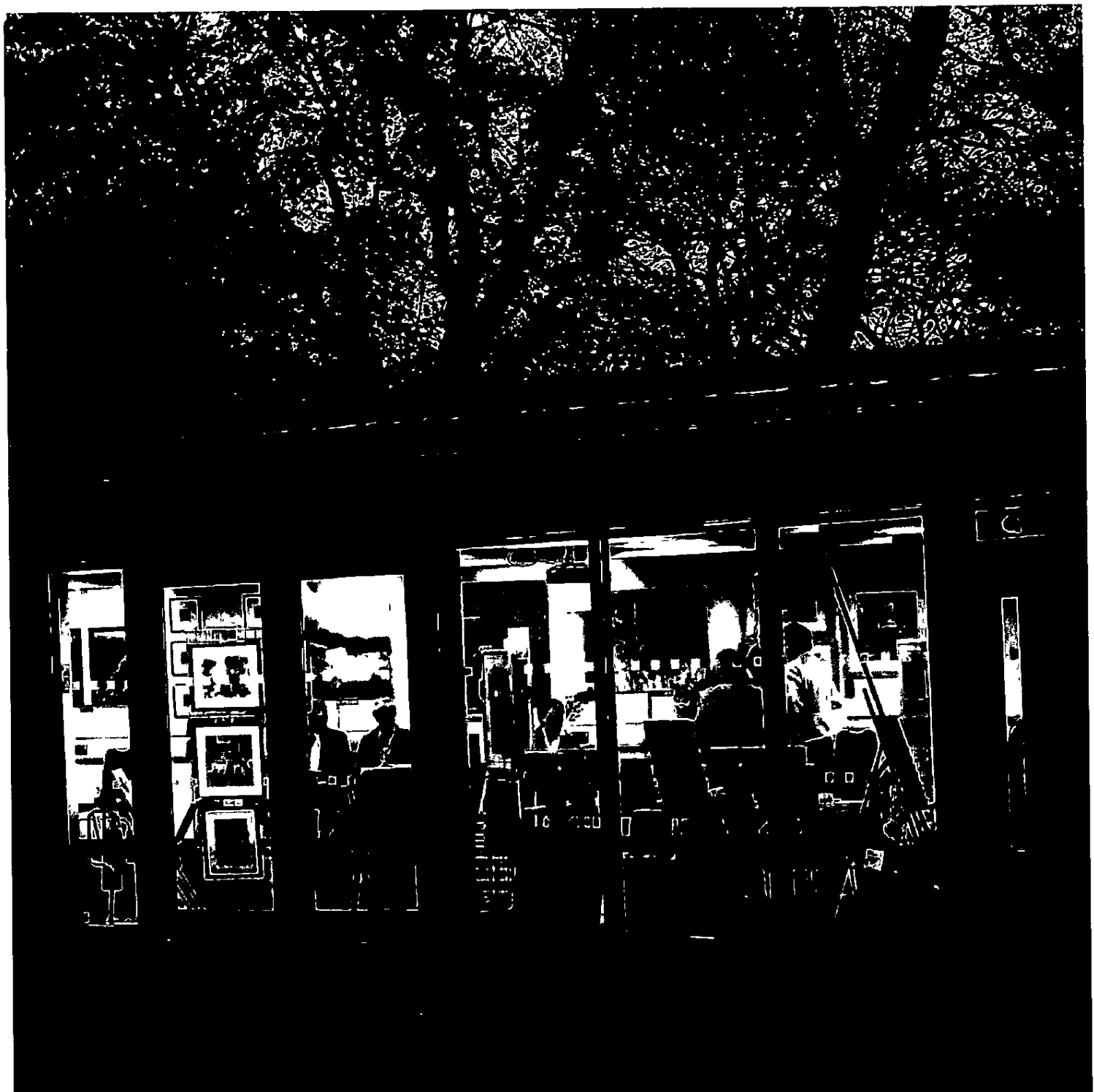


Image left / Photography © Matt Manfredi



Art Exhibition



"AHF recognised the feasibility of our plans and ambitions for Dronfield Hall Barn from the first year of the project. Their advice and early stage funding enabled us to complete all the work necessary to attract other funders including the Heritage Lottery Fund. It is true to say that without their consistent support over many years this project could not have been completed."

Mike Slinn, Chairman (retired)
Dronfield Heritage Trust

BUTE MILLS

Luton, Bedfordshire | England
 Youthscape | www.youthscape.co.uk

Status

Unlisted, in Conservation Area
 At Risk Register?
 No

AHF Funding:

2014- £5 880 Project Development Grant
 2014-15- £8 000 Cold Spots Grant



One of the most iconic buildings in Luton, Bute Mills was built in 1910 as a steam flour mill. It is a rare survivor of the town's built heritage following wholesale redevelopment of the town centre in the 1960s. Refurbished as light industrial/office accommodation, it had stood empty for a number of years until it was purchased on New Year's Eve 2013 by Youthscape, an innovative and rapidly growing youth charity, following a successful fundraising campaign.

In spring 2016, following a transformative £3.2 million project, it reopened as a UK centre of excellence to support the emotional and physical well-being of vulnerable young people, incorporating the provision of spaces for counselling and activities for 11 to 19-year-olds, together with office accommodation for the charity. Youthscape's vision is to develop ground-breaking work with young people locally that can be shared with others nationally. Bute Mills, with over 10,000 square feet of space over five floors, gives the charity the capacity and facilities to make that possible, with space for therapeutic and informal work with young people, and room to train youth workers and professionals from across the UK. Since moving to its new home Youthscape has been able to expand its drop-in work for young people from one night per week to five nights per week, expanding its reach from 25-30 young people to 100-150 young people per month.

AHF grants contributed to the costs of a mechanical and electrical survey, followed by further work to develop electrical, heating and lighting schemes for the building. This included the development of the fire escape plan that was critical to the floor preliminary plan design.

"AHF's early support of the project in December 2013 was key in helping us to undertake initial design work and to begin to turn our vision for Bute Mills into reality. The building was in need of a total overhaul of the heating and electrical systems, and we were seeking to design a dynamic and modern lighting scheme to bring the building back to life. AHF caught our vision and their support has helped us to create a design that is modern, energy efficient and preserves the incredible architecture of Bute Mills."

Fiona Green, Project Manager
 Youthscape

Professional team

- Architects: HOK
- Structural Engineer: Simpson Associates
- Project Management: Tower 8
- Cost Consultant: Core Five
- M&E Consultancy: Troup Bywaters + Anders
- Main Contractor: Structure Tone

Other project funders

	£
Edith Winifred Hall Charitable Trust	950 000
Mounce & Hilda Laing Trust	350 000
The Amateurs Trust	300 000
Bradbury Foundation	250 000
The Steel Charitable Trust	145 840
The Arthur Soustar Charitable Trust	130 000
Garfield Weston Foundation	100 000
The Hadley Trust	100 000
The Connolly Foundation	50 000
The Clothworkers Foundation	50 000
The Beale Trust	37 800
Margaret Giffen Trust	20 000
Heritage Lottery Fund	37 500
Others	404 000
Total	2,925 140



OLD BLUECOAT SCHOOL

Thatcham, Berkshire | England
 Thatcham (Old Bluecoat School) Charity | www.oldbluecoatsschool.org.uk

Status
 Grade I
 At Risk Register?
 No

AHF Funding:
 2008 £4,185 Feasibility Study Grant

Originally St Thomas's Chapel, the Grade I listed Old Bluecoat School, in its current form, dates from the 15th century. Serving as a charitable school from 1707 until 1914 and then ancillary accommodation for various local schools, it was later leased to an antiques business. Facing an uncertain future when this closed in 1998, following a community campaign, West Berkshire Council agreed to transfer the building to the community. Thatcham Town Council took on the freehold and issued a 99-year lease to the newly established charity in 2004.

The School's rendered brick and flint walls were being badly damaged by salt spray from traffic on the A4 which runs next to the building. The Charity secured the Council's agreement to widen the pavement to create a buffer which alleviated the problem. With the AHF's support they undertook a feasibility study into how the building could be used to benefit the community and generate an income to meet its running costs. The study identified its potential as a music and community venue. A successful fundraising initiative enabled full repairs, including renewal of the clay tile roof. The Old Schoolhouse is now in use seven days a week, hosting a thriving programme of concerts, musical and community activities from parent and toddler groups, Pilates and yoga, to a crafts group and Polish School. The Charity has successfully enabled the building to renew its centuries-old role as a centre for cultural life and learning in the community.

Professional team

Feasibility study
 Andrew Townsend Architects,
 Prometheus Ltd, Marnotts Chartered
 Surveyors
 Repairs
 Andrew Townsend Architects,
 Ellis and Co Contractors

Other project funders

	£
Greenham Common Trust	60 000
Veolia Environmental Trust	40 000
Wolfson Foundation	12 000
The Pilgrim Trust	12 000
Foyle Foundation	5 000
Syona Waddilove Foundation	5 000
Community fundraising	26 000
Total	160 000



HASTINGS PIER

East Sussex | England

Hastings Pier Charity | hastingspier.org.uk

Status

Grade II

At Risk Register?

Yes National Piers Society

AHF Funding

2012-13 £13,367 Project Development Grant

2013 £250,000 Loan

2016 £100,000 Community Shares



In spring 2016 Hastings Pier reopened to the public for the first time in nearly a decade following the completion of a £14 million restoration project. The original pier was built to the designs of Eugenius Birch (who also designed Eastbourne Pier and Brighton's West Pier) and inaugurated on 5th August 1872, the country's first August bank holiday. The pier was declared unsafe and closed to the public in 2008 and a devastating fire in 2010 left 90% of the superstructure in ruins and destroyed all but one building – the western pavilion shelter building which was able to be saved.

Its new owners, the Hastings Pier Charity, a newly-established Community Benefit Society, acquired the pier in August 2013 for £1 following compulsory purchase by Hastings Borough Council. This was the outcome of a community campaign to save the pier led by the Hastings Pier and White Rock Trust which had been formed shortly after the pier was first closed. A development plan put forward to the Heritage Lottery Fund led to a successful bid for £11.4 million. As well as additional grant funding, significant investment was raised through the issue of Community Shares, with over 3,000 shareholders, many of them local people, investing close to £600,000 – one of the most successful share issues in the country. An AHF loan provided working capital for the restoration work.

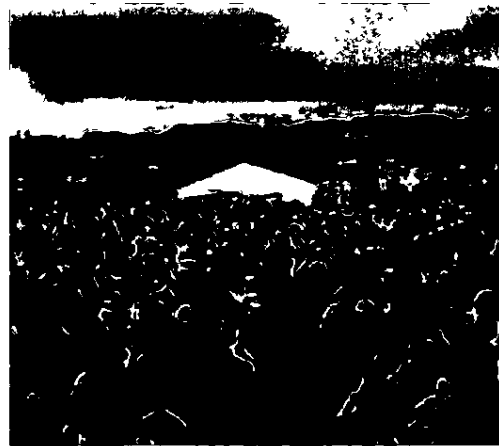
The boardwalk now provides a flexible open space which has already been used for a range of events, such as open-air film screenings, music events and a circus. The redeveloped Pavilion includes a bar and restaurant offering locally-sourced produce. The restored pier is expected to play a major role in the regeneration of Hastings, attracting an additional 300,000 annual visitors to the town.

Professional team

- Architects
de Rijke Marsh Morgan
- Structural & Services Engineers
Ramboll UK
- Cost consultants
KMCS

Other project funders

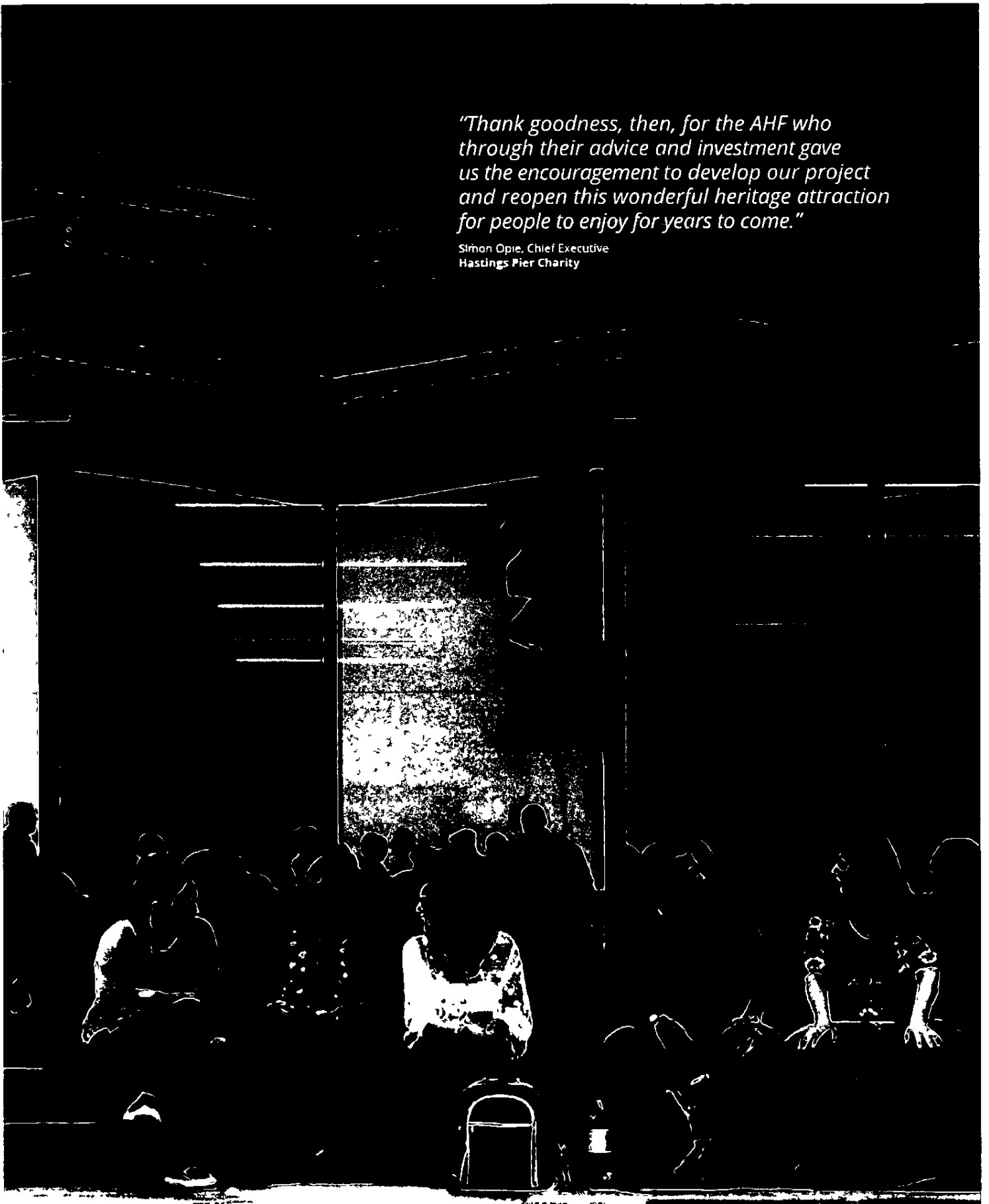
Heritage Lottery Fund	11,400,000
Coastal Communities Fund	750,000
Hastings Borough Council	310,000
East Sussex County Council	240,000
Social Investment Business	250,000
Community Ownership & Management of Assets	500,000
Non AHF Community Shares	590,000
Total	14,040,000



Clockwise from above
 Above / © James Robertshaw
 Main image / © James Robertshaw
 Right / © Ramboll, photographer Daniel Shearing

"Thank goodness, then, for the AHF who through their advice and investment gave us the encouragement to develop our project and reopen this wonderful heritage attraction for people to enjoy for years to come."

Simon Opie, Chief Executive
Hastings Pier Charity



5 LATIMER STREET

Romsey, Hampshire | England

Romsey & District Buildings Preservation Trust | www.romseydistrictsociety.co.uk/building-preservation-trust

Status

Unlisted in Conservation Area

At Risk Register?

No

AHF Funding

2014 £7,000 Project Development Grant

2015 £325,000 Loan



Romsey & District Building Preservation Trust is a revolving fund building preservation trust that has made a major contribution to the conservation of the historic built environment of the Hampshire town of Romsey. The AHF made its first loan to the Trust in 1984 and this is the tenth project for which the AHF has provided loan finance in the years since. 5 Latimer Street is part of a prominent block of 18th century buildings in the Conservation Area in the centre of town. A shop front was inserted in the 19th century, with the first floor used as residential accommodation until the late 1990s. The Trust purchased the building in 2014 for £160,000. By this time, it had suffered serious structural deterioration to the point of being semi-derelict.

AHF grant funding enabled the Trust to engage an architect to help develop a viable scheme and a loan helped to cash-flow the building work. One of the project objectives at the outset was to re-use the accommodation above the shop as an exemplar to other shop owners with empty or poorly-used space over their own retail units. The building has now been completely renovated, with a refurbished ground floor shop and apartment above, the latter now having its own entry. The Trust had been advised that the rear third of the original shop was, in commercial terms, of little value and this area was therefore converted to accommodate a single bedroom apartment with its own courtyard and separate pedestrian access.

The completed project has enhanced the street scene within the Conservation Area and helped create a great sense of place, which in turn increases footfall and boosts commercial activity in Romsey's historic town centre.

Professional team

- Quantity Surveyor
KSP Consultancy
- Architect
Genesis Design
- Structural Engineer
Ian Payne
- Valuation Surveyor
Peter Cliffe Roberts
- Project co-ordinator
Frank Akerman Romsey & District BPT

Other project funders

	£
Sale proceeds	£435,000
Total	£435,000



LYE AND WOLLESCOTE CEMETERY CHAPEL

Dudley, West Midlands | England
West Midlands Historic Buildings Trust | www.lyeandwollescote.info

Status
Grade II
At Risk Register?
No

AHF Funding
2005-07 £5,725 Options Appraisal Grant
2008 £7,500 Capacity Building Grant
2008 £2,890 Project Administration Grant

2007-09 £15,000 Project Organiser Grant
2015 £120,000 Loan

The Lye and Wollescote Cemetery Chapel, built in 1878, is a rare surviving example of a cemetery chapel designed to incorporate two chapels within a single building. Though the associated cemetery continued in use, the Nonconformist chapel was closed in the 1970s and the Anglican chapel closed following a fire in 1993 which caused minor damage to the interior. The West Midlands Historic Buildings Trust played a key role in getting the building listed in 2005 and then worked closely with the local community and with Dudley Metropolitan Borough Council to complete an asset transfer and sympathetic conversion to a sustainable new use as a Registrar's office and wedding venue. The building has been renamed the Thomas Robinson Building and was officially opened in March 2016.

Professional team

Architect
Adrian Mathias, Brown H Hayward Brown
Quantity Surveyor
Graham Hale & Co
Structural Engineer
Steve Mason, Hancock Wheelodon & Ascough
Valuation Surveyor
Lex Allan Commercial
Project coordinator
David Trevis-Smith

"This project has been made possible by fantastic community support and determination over a period of 13 years, now enabling people to visit and appreciate the heritage of this building and the cemetery for years to come. AHF support has been a vital element at every stage of the project, without which it could not have happened."

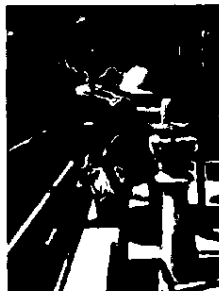
Other project funders

	£
Heritage Lottery Fund	1,025,000
Others	70,000
Volunteer time	55,000
Total	1,150,000

John Woodall Trustee
(and Acting Chairman during the project delivery phase)
West Midlands Historic Buildings Trust

The AHF was an important source of funds for the early stage development work, supporting the Trust to produce an options appraisal report and engage with the local community to address their concerns. Continuing AHF support enabled the Trust to secure funding from Locality to use the project as a pilot scheme for developing a Community Asset Transfer strategy for the Borough. An AHF loan provided working capital during the repair and conversion work.

The project included an extensive community activity programme as well as the establishment of a new Friends of Lye and Wollescote Cemetery group which enables local residents to continue to contribute towards the care of the cemetery into the future.



LLANFYLLIN WORKHOUSE

History Centre, Powys | Wales

Llanfyllin Dolydd Building Preservation Trust | www.the-workhouse.org.uk

Status

Grade II

At Risk Register?

No

AHF Funding:

2004- £300,000 Loan

2005-06 £7,500 Feasibility Study Grant

2004-06 £3,000 Project Administration Grant

2004-07 £6,547 Project Organiser Grant

2008-09 £15,000 Project Development Grant

The Llanfyllin Union Workhouse, in north Powys near the Shropshire border, was built in 1837-39 during the first phase of workhouse construction after the Poor Law Amendment Act of 1834. Designed by Thomas Penson, a prominent local architect, and solidly built of local stone and slate, it is one of the last such buildings remaining in Wales. It served as a workhouse for up to 250 inmates until 1930, when it became a local authority institution and later a care home, finally closing in 1983. It was in use as an outdoor pursuits centre for a few years in the 1980s but then became vacant and fell into an increasingly derelict state.

Llanfyllin Dolydd Building Preservation Trust purchased the building in 2004 with the help of an AHF loan. In 2007 the Trust joined forces with the Workhouse Festival to create a community enterprise for arts, education, environment and heritage. The Workhouse History Centre is the latest development at the site to open to the public following a £39,900 grant from the Heritage Lottery Fund in 2015. As part of the 18-month project, local volunteers created displays, a film and educational materials to tell the story of the men, women and children who lived at the Workhouse. The new visitor attraction occupies a newly restored wing and reception area at the entrance to the building.

“The project could never have happened without the support of the AHF besides the loan – now converted to a commercial mortgage with the Ecology Building Society – which enabled us to buy the building, the AHF made it possible for us to employ skilled professionals in the early stages of the project and supported us with ongoing advice and encouragement.”

John Hainsworth
Llanfyllin Dolydd Building Preservation Trust

Professional team

Architect

Richard Payne, form7ARCHITECTURE

Display Consultant and Trainer

John Marjoram

Director of Film

Grace Goulding

Scriptwriter and Director of Film

John Hainsworth

Production of Film and technical support.

Philip Lane, Beehouse Studio

Oral History Training

Dr Fiona Cosson

Other project funders

	£
Heritage Lottery Fund	39,900
Other grants and generated income	1,955
Total	41,855



PLAS KYNASTON

Wrexham | Wales

Welsh Georgian Trust | www.welshgeorgiantrust.org.uk

Status

Grade II

At Risk Register?

Yes Wrexham County Borough Council

AHF Funding

2012-13 £7,495 Options Appraisal Grant

2015 £8,240 Cold Spots Grants

2016 £222,667 Loan

Plas Kynaston is a Grade II listed house in the Cefn Mawr Conservation Area, Wrexham. It was the home of the Kynaston family whose industrial activities led to the development of the Plas Kynaston foundry which cast the ironwork for the famous Pontcysyllte Aqueduct, designated a World Heritage Site in 2009. The house passed into community ownership in 1938 and served as the local library until the 1970s.

The Welsh Georgian Trust was established as revolving fund building preservation trust in 2011 and, with the help of an AHF Trustee, identified Plas Kynaston as its first restoration project. By this time the building had been empty for at least 15 years and was on the local buildings at risk register. The Trust approached Wrexham County Borough Council to work together to secure the future of the house and, with AHF funding, carried out an options appraisal. As a result, it became clear that community use was no longer viable, due to a surfeit of such buildings locally, and a scheme to reuse the building could only be achieved if numerous existing covenants were removed. The Trust subsequently acquired the building for £1 and converted it into six one-bedroom apartments for sale as starter homes, an option that was based on research into local housing needs. The project was made possible with a £320,000 grant from the Cefn Mawr Townscape Heritage scheme together with an AHF loan for working capital, to be repaid from the sale proceeds of the apartments.

Professional team

Architect

Donald Insall Associates

Quantity Surveyor

John Pidgeon Partnership

Structural Engineer

Engineering & More Ltd

Building contractor

Grosvenor Construction Ltd

Project co-ordinator

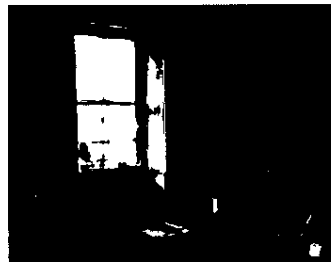
Andrew Beckett, Trust Chair

Other project funders

	£
Cefn Mawr Townscape Heritage	320,000
Sale proceeds	520,000
Total	840,000

"The AHF have been instrumental in making this project happen. They have supported us all the way from the initial idea, through the Options Appraisal and Project Development grants, to the loan finance which has enabled us to realise our vision."

Andrew Beckett, Chair
Welsh Georgian Trust



BELLEISLE CONSERVATORY

Ayr, South Ayrshire | Scotland

Belleisle Conservatory | belleisleconservatory.com

Status

Category B

At Risk Register?

No

AHF Funding

2012 13 £5 000 Options Appraisal Grant

Belleisle Conservatory was constructed in 1879 by William Dickson, as part of a private estate. This was sold to the Burgh of Ayr in 1926, and the Conservatory has since been the centrepiece of what became known as Belleisle Park, the town's main leisure park. The park consists of formal gardens, play areas, mature mixed woodland, an open country estate and a golf course. The Conservatory was substantially rebuilt in 1955 and remained open until 2005 when it was closed due to its poor structural condition.

Local campaigners formed the charity Belleisle Conservatory Limited in 2010 with the aim of restoring the building and returning it to public use. By this time the Conservatory was in a state of serious disrepair, having suffered from sustained vandalism. All surviving window panes had been removed and wooden frames were in an advanced stage of decay. The charity worked in partnership with South Ayrshire Council, supported by the Friends of Belleisle and local community groups, to develop a bid to the Heritage Lottery Fund's Parks for People programme. AHF funding towards an options appraisal for the Conservatory kick-started the process. The park project, including the restoration and re-use of the Conservatory as a display centre, was awarded a £1.9 million grant in 2014.

Professional team

Architect
ARPL
Structural Engineer
Grossart Associates
Quantity Surveyor
Brown & Wallace
Main contractor
Richardson & Starling

Other project funders

	£
Heritage Lottery Fund (Parks for People grant)	1 938 400
Conservatory restoration	400 000

The Conservatory Project created three new full-time equivalent jobs, training opportunities for four people and has led to 20 new volunteering opportunities. An official opening event on 23 July 2016 attracted over 500 visitors.

"The immediate impact of the building being reopened has been a huge testament to a well worthwhile project. We hope to see the ongoing benefit of this conservatory as a major attraction for many years"

Gordon Fisher Technical Director
Belleisle Conservatory Limited



All photography courtesy © Colin McLean



29 BRAEHEAD

Beith, North Ayrshire | Scotland
Heritage Building Preservation Trust

Status

Category C

At Risk Register?

Yes Buildings at Risk Register for Scotland

AHF Funding

2014-15 £3,000 Project Viability Grant

Heritage Building Preservation Trust is one of the few building preservation trusts in the UK that continues to operate as a revolving fund, purchasing properties at low cost, renovating them to high conservation standards and selling them on the open market, usually for residential use. Since the early 2000s the Trust's activities have been focussed on the small Ayrshire town of Beith, 20 miles south west of Glasgow. Beith had been known for the manufacture of high quality furniture, latterly for ocean liners. Following the demise of that industry the majority of the working population now commute to work outside the town.

The Trust had been seeking to acquire no. 29 Braehead for 18 years before it finally was able to do so in 2014, for £17,000. An early 19th century villa, Category C listed and within the Conservation Area, the building occupies a prominent position overlooking the main street, the Auld Kirk (1593) and The Cross. Having been derelict since 2003 and adjacent to other buildings previously restored by the Trust, it was considered a 'missing tooth' in an otherwise well-restored townscape. Following strip-out there was evidence that the building was constructed on a much earlier steep gabled single storey building.

The Trust's work revitalising Beith's built environment over nearly two decades has made a major difference to the town, helping to halt the sense of decline and make it a more attractive place for both residents and visitors to enjoy.

Professional team

Project Manager
Robert McCallum, Heritage BPT
Chartered Building Surveyor
D M Hall
Main Contractor
Stewart Construction

Other project funders

£

Sale price	148,100
Total project cost	154,000

"Like its neighbour, 25 Braehead, the Trust had been trying to acquire this derelict property for many years as. As is normal in the restoration of historic buildings there were numerous surprises, therefore sacrifices and compromises had to be made. However with the AHF grant and their sage advice the overspend was kept to a manageable amount. This overspend was met from HBPT's own reserves."

Robert McCallum
Heritage Building Preservation Trust



THE PIPE FACTORY (PHASE 1)

Glasgow | Scotland
The Pipe Factory | www.thepipefactory.co.uk

Status
Category B
At Risk Register?
Yes Buildings at Risk Register for Scotland

AHF Funding
2015 £30,000 Loan
2016 £10 650 Project Development Grant

White's pipe factory, next to the famous Barras Market in Glasgow's East End, was built in 1876-79, and by 1890 was producing up to 14,000 clay tobacco pipes per day. White and other smaller manufacturers in Glasgow supplied pipes to the world (and they are still commonly excavated in North American pioneer settlements and can be used for dating them). The building comprises a complex sequence of three ornate red and white brick buildings, which were originally linked by an equally ornate two-storey building filling the site between the three buildings (which was the main entrance and housed the kilns). The Italian renaissance-inspired design details are some of the most intricate and ornate use of brick to be found within the city.

The Pipe Factory organisation was established in 2013 as a voluntary-led, not-for-profit, independent company dedicated to the production and dissemination of artistic work and ideas. It plans to convert the former White's pipe factory building into 32 managed workspaces for let to artists. Phase 1 of this project involved £359,093 of works to replace the roof and windows, which was supported by an AHF working capital loan.

Prior to refurbishment The Pipe Factory had hosted a free temporary Art School and numerous free art workshops delivered by studios, volunteers and committee members in the local area. From the outset it has been seen as an opportunity to engage people who live in the area in the process of learning via artists' activity.

"The AHF's investment in The Pipe Factory came at the right time, helping us with the working capital we needed to carry out essential repairs. The refurbishment of this historic building is a crucial step in the project, providing us with a wind and watertight space."

Alex Misick
The Pipe Factory

Professional Team

Quantity Surveyor
Malcolm Carrick, Armour
Construction Consultant
Architect
Marc K. Kenry
Structural Engineer
Ian Douglas, Design ID
Project co-ordinator
Alex Misick, The Pipe Factory

Other project funders

Glasgow City Council (Barras Floorspace Grant Scheme)	329 093
Glasgow City Heritage Trust	30 000
Total	359 093



Main image below / Photography © Colin McLean





"This is the biggest and most challenging project undertaken by the NESPT in its 36-year history. Many problems have had to be solved over a 10-year period to get to successful completion and this would not have been achieved without the help and support of the AHF. For the NESPT the model of working in partnership with a Community Enterprise has been fundamental to the success of the project and is something we intend to replicate at other sites in future."

Paul Ferguson, Project Manager/Trust Administrator
North East Scotland Preservation Trust

SAIL LOFT, BACK GREEN

Portsoy, Aberdeenshire | Scotland
 North East Scotland Preservation Trust | www.nespt.org

Status

Category B
 At Risk Register?
 Yes Buildings at Risk Register for Scotland

AHF Funding

2000-01 £5,280 Feasibility Study Grant
 2009-11 £2,220 Options Appraisal Grant
 2011-15 £20,000 Project Development Grant

2015 £250,000 Loan

North East Scotland Preservation Trust, working in partnership with Portsoy Community Enterprise, has transformed a group of derelict cottages in Portsoy on the Aberdeenshire coast into the Sail Loft, luxury bunkhouse accommodation for 25 people which will be operated as a community business by the Scottish Traditional Boat Festival. This is one of the first completed Heritage Enterprise projects in Scotland, funded by Heritage Lottery Fund's innovative new programme.

The AHF's involvement with the project goes back to 2000, when it first offered funding towards a feasibility study but this did not lead to a scheme being developed. Nevertheless, the Trust acquired the freehold of the site for £1 in 2006 and, with the help of further AHF support, was eventually able to develop a viable proposal which attracted nearly £2 million in grant funding. The Sail Loft has created new jobs, supported local businesses and brought additional economic benefit to the area.

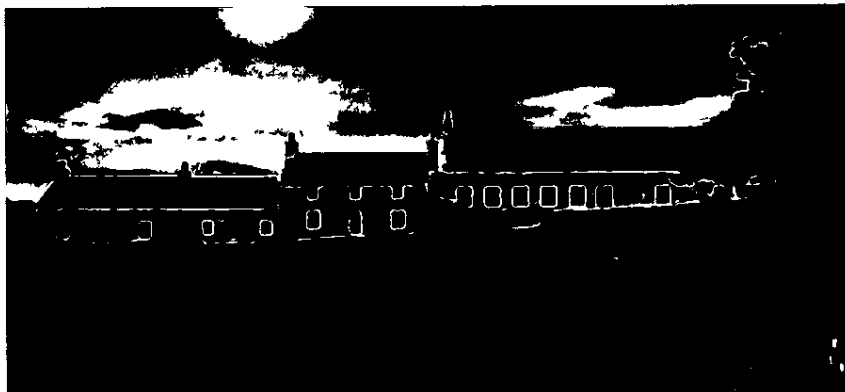
Portsoy harbour developed as a busy trading port in the 17th and early 18th centuries. The site at Back Green was originally developed to manufacture thread from flax. The area of 'green' was utilised for the bleaching of flax, the reliable water supply from the burn providing ideal conditions for bleaching. In the early 19th century the site contained two groups of buildings - the one to the seaward side operated as a rope-making business while the manufacture of sails took place within the eastern range, adjacent to a row of cottages. The buildings were abandoned in the 1970s and have been on the Buildings at Risk Register for Scotland since 1997.

Professional team

Architect
 LDN Architects
 Quantity Surveyor
 The Torrance Partnership
 Structural Engineer
 AF Cruden Associates
 Valuation Surveyor
 Graham & Sibbald
 Project coordinator
 Paul Higson North East Scotland Preservation Trust

Other project funders

Heritage Lottery Fund	873,500
Coastal Communities Fund	601,148
Historic Environment Scotland (Portsoy CARS)	360,200
Portsoy Community Enterprise	74,800
North East Scotland PT	17,243
Total	1,926,891



Photography © Colin McLean / Main left and top right images

OLDPARK CARNEGIE LIBRARY

Belfast | Northern Ireland

N Ireland Foundation & Lower Oldpark Community Association | northernirelandfoundation/projects/carnegieoldpark/

Status

Category B

At Risk Register?

Yes. Ulster Architectural Heritage Society in partnership with the Department for Communities

Oldpark Library was the first of three libraries built by Belfast Corporation following a donation from Andrew Carnegie, the Scottish-American steel magnate and philanthropist who funded libraries, schools and universities throughout the USA, UK, Ireland and Europe. Built in 1906 to the designs of the local architectural practice Watt and Tulloch, it served as a library for over 100 years, finally closing in 2008. Today, only one of Belfast's Carnegie libraries (on Falls Road) remains in use as a library. A second, on Donegall Road, was restored in 1998 and is now let out to small businesses. The latter is the home to the Northern Ireland Foundation, which is working in partnership with the Lower Oldpark Community Association to develop a 'third sector' use for Oldpark Library.

AHF Funding

2016: £3,000 Project Viability Grant

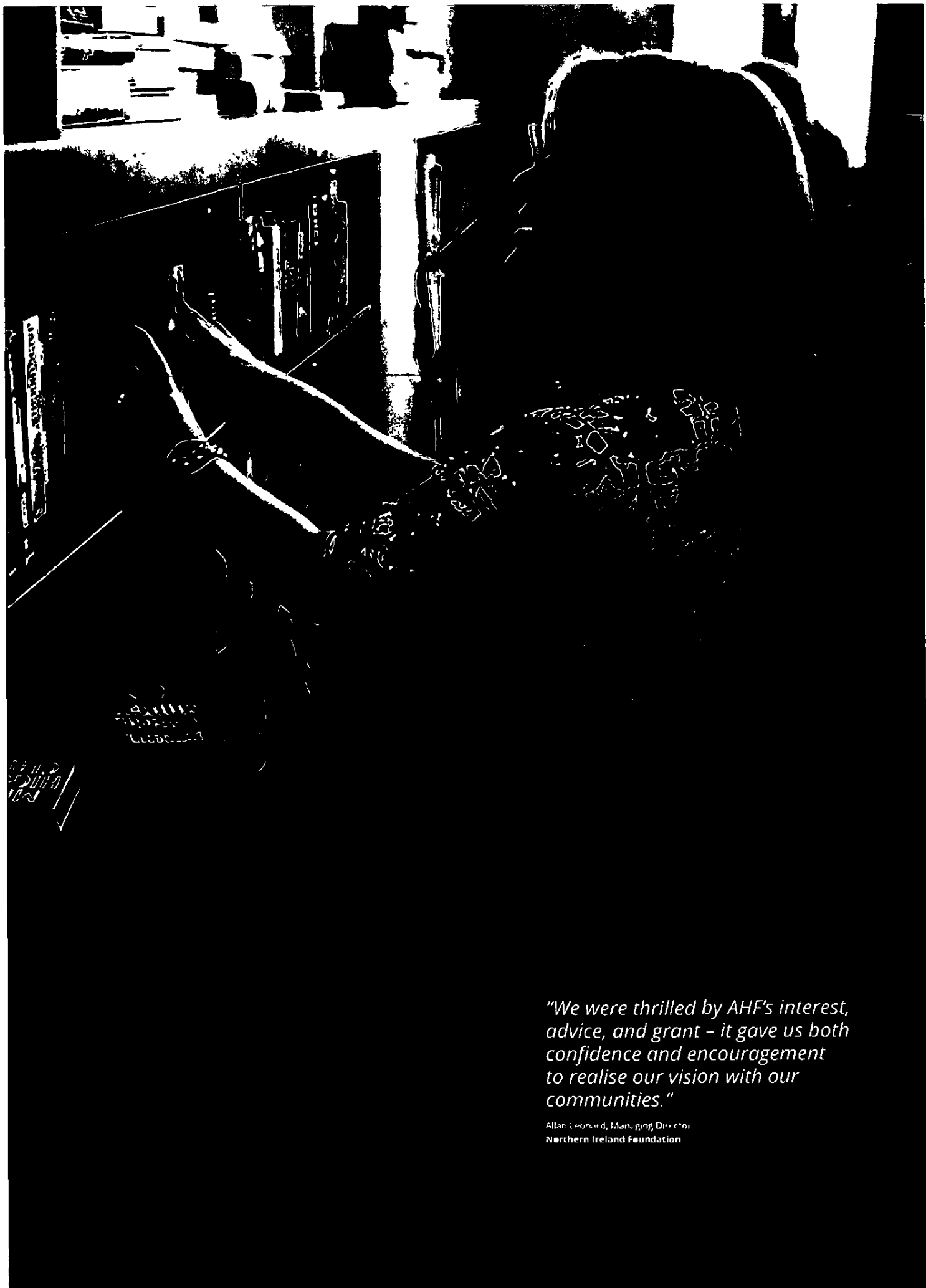
The plan is to develop commercial revenue streams via office rental upstairs, enabling ground floor rooms to be used by all communities for education and training, arts and cultural activities. By bringing the building back into use to serve the local community as well as a venue for social enterprises, it is hoped that the project will make a real contribution to the regeneration of north Belfast, in parallel with other developments in the area, including the recently reopened Crumlin Road Gaol.

The freehold of the library was acquired at auction in December 2015 by a private buyer who shares this vision. The Northern Ireland Foundation will take a long leasehold on the building. An AHF Project Viability Grant, matched with a Start-up grant from the Heritage Lottery Fund, will enable the Foundation to test the viability of its proposals and complete a condition survey of the building.

Other project funding

Heritage Lottery Fund	9,200
Private individual (acquisition)	90,000
Total	99,200





"We were thrilled by AHF's interest, advice, and grant – it gave us both confidence and encouragement to realise our vision with our communities."

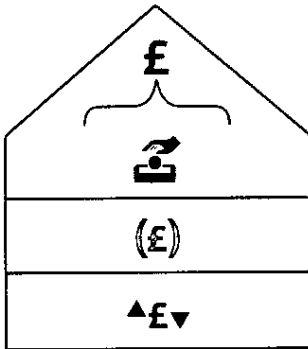
Allan Leonard, Managing Director
Northern Ireland Foundation




FINANCIAL REVIEW

2015/16 Overview

Total incoming resources



Total incoming resources in the year ended 31 March 2016 amounted to £2,136,909 (2015 £1,557,882) This comprised



-  **£1,233,485**
(2015 £691,969) in endowment contributions
-  **£478,935**
(2015 £381,018) in restricted income
-  **£424,489**
(2015 £484,895) in unrestricted income

Total resources expended

Total resources expended during the year amounted to £1,206,184 (2015 1,512,472) Of this expenditure, bad debt provision adjustments and other loan-related activities, grants, programme support and the overheads attaching to these, and the AHF's contribution to the Association of Preservation Trusts, amounted to £1,170,979 (2015 £1,454,291) The remaining expenditure comprised £35,205 (2015 £58,181) for the costs of generating funds

-  **£1,170,979**
(2015 £1,454,291) comprised bad debt provision adjustments, other loan related activities, grants, programme support, Association of Preservation Trusts contribution
-  **£35,205**
(2015 £58,181) of remaining expenditure comprised the costs of generating funds

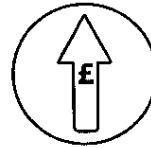
The AHF's total funds



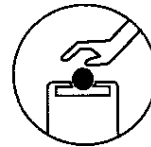
£14,022,970
Total funds at 31 March 2016
(2015 £13,092,245)



£13,283,970
constituted the AHF's lending resources
(2015 £12,472,245)



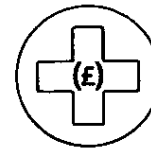
£930,725
amount the AHF's total funds increased by
(2015 £45,410), comprising



£1,004,160
net increase in the endowment fund
(2015 £517,943)



£142,435
unrestricted fund deficit
(2015 £254,539)



£69,000
increase of restricted fund
(2015 deficit of £217,994)

The endowment fund



£11,613,961
Increased endowment fund as at 31 March 2016
(31 03 2015 £10,609,801)



£1,004,160
The net increase on 2015 fund
(2015 £517,943)

This increase consisted of contributions from

 **Funded by UK Government**

 **£435,000**
DCMS


 **£231,000**
Welsh Government

 **£231,000**
Welsh Government

 **£567,485**
Historic Environment Scotland

 **£567,485**
Historic Environment Scotland

 **£156,347**
loan losses offset
(2015 £91,412)

 **£72,978**
and the increase in bad debt provisions
(2015 £82,614)

FINANCIAL REVIEW

2015/16 Overview

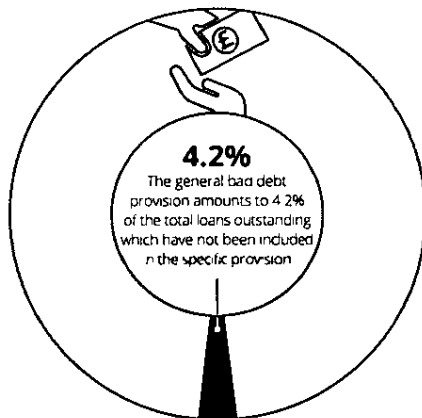
Cash flow

Reserves policy

Investment policy (financial)

Review of outstanding loans

Following a review of all outstanding loans at the end of 2013/14, the AHF's Trustees approved the introduction in that year's accounts of a general bad debt provision. This was in recognition of the increasingly difficult lending environment in which the AHF operates and the consequent increase in risk that funds may not be recoverable in full despite the AHF's best efforts. The general bad debt provision amounts to 4.2% of the total loans outstanding which have not been included in the specific provision. A full breakdown of the provision is shown in Note 6 of the Statement of Financial Activities available to download from www.ahfund.org.uk/publications



Cash flow

There was a net inflow of cash of £2,571,783 (2015 outflow of £352,002) primarily due to the repayment of long-standing loans during the course of the year, contributions to the endowment fund, and to receipts of interest and rents from investments. Net outflows are forecast for the next four years as we seek to increase our lending activity.

Reserves policy

The General Fund constitutes the free reserves of the charity from which running costs and the payment of non-refundable grants (core initiatives) 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 (£620,000). Compliance with the reserves policy was met by a year-end transfer of £142,435 (2015 £254,539) from the designated lending fund to the General Fund.

The total value of the Endowment Fund can be affected by the failure of some AHF borrowers to repay their loan in part or in full. Bad debts are to be expected given the high risk nature of 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 the value of the Endowment Fund is maintained and increased through fundraising.

Investment policy (financial)

Money not on loan is kept on deposit, on the best terms consistent with financial prudence and ready accessibility. This process is managed internally. Net income from bank deposits for the year amounted to £13,312 (2015 £11,367).

FINANCIAL REVIEW

Staff remuneration Going concern

Staff remuneration

Our approach to pay

The AHF believes in recruiting high-calibre people to represent its interests. We also believe in rewarding staff fairly for the jobs that they do and fostering a positive working environment, and we believe our salaries and our terms and conditions reflect this. People are employed at the AHF on the basis of the specific skills that they bring to their particular role. For the AHF to run successfully, a large range of skills and disciplines and experience are required. We need to pay appropriately to ensure that we can recruit people with the right skills. We also need to retain them in a competitive market where, not least as a result of the financial nature of the AHF's role, their skills are readily transferable to other organisations, both in the voluntary sector and in other sectors. The AHF firmly believes in trying to retain staff for the long term, developing them and benefiting from their growing knowledge. This is in preference to the disruption and expense of recruitment, especially as many staff have detailed knowledge that is unique to them in the organisation and could not be quickly replaced. The small number of salaried staff means that any loss of experienced staff members does have a significant impact on the organisation. Our staff pay scales are set with this in mind.

Pay awards

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. These are as follows:

CPI inflation forecasts Current cost of living (CPI) forecasts for 2016 vary between 1% (OBR) and 1.5% (IMF), rising to between 1.8% (OBR) and 2% (IMF) in 2017.

Comparative pay increases The former Chancellor announced in his Summer 2015 Budget that public sector pay increases will be capped at 1% from 2015 until 2019. CIPD predicts pay increases of 2% for 2016.

Rewarding good performance Whilst the AHF does not currently directly link pay progression to performance, the progress achieved by the organisation over the preceding year is still a factor in determining pay.

Bearing these factors in mind, trustees awarded all staff a pay rise of 1.5% together with a £500 non-consolidated bonus payment in recognition of the excellent performance of staff during a difficult period of transition. The Chief Executive only took a 1% pay rise to ensure the gap between senior executive and staff pay rates did not increase at a time of significant restructuring.

Severance payments

The AHF's restructuring programme, and the decision to share finance and administrative functions with another organisation, regrettably meant that two long-term members of AHF staff decided to accept early retirement packages. These involved severance payments, the amount awarded equating to no more than the equivalent of one week's salary for each year of employment at the AHF.

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 to the scheme in the year totalled £15,500.

Going concern

The Board has reviewed the Charity's financial position, taking account of the satisfactory levels of reserves and cash, amounts receivable, principally from the AHF's lending function, the annual plan and the five-year financial forecasts, and its systems of financial and risk management. As a result of its review, the Board believes that the AHF is well placed to manage operational and financial risks successfully. Accordingly, the Board has a reasonable expectation that the AHF has adequate resources to continue in operational existence for the foreseeable future.

FINANCIAL REVIEW

Grants awarded

Grants awarded during 2015/16

Name of applicant Project ● Country ● Grant type ● Sum offered

Bawdsey Radar Trust Ltd
The Transmitter Block, Bawdsey Manor Estate,
Woodbridge, Suffolk

£ PDG £ 5,000

Friends of Anfield
South Chapel, Anfield Cemetery,
236 Priory Road, Liverpool

£ PVG £ 3,000

Brighton Hippodrome CIC
Brighton Hippodrome Theatre,
52-58 Middle Street, Brighton, East Sussex

£ PVG £ 3,000

Fulham Palace Trust
West Wing Offices, Fulham Palace,
Bishop's Avenue, London

£ PDG £ 5,000

Bury St Edmunds Art Gallery Trust
(Smiths Row)
The Station Master's House, Station Hill,
Bury St Edmunds, Suffolk

£ PDG £ 4,233

Future Wolverton Ltd
The Old School, Old Wolverton,
Milton Keynes, Buckinghamshire

£ PVG £ 3,000

Chadderton Together
Foxdenton Hall, Foxdenton Lane,
Oldham, Greater Manchester

£ PVG £ 3,000

Giroscope Limited
St Matthew's Church, Boulevard,
Hull, Kingston upon Hull

£ PVG £ 1,840

Chance Glassworks Heritage Trust
Chance Glassworks, Palace Drive,
Smethwick, Sandwell

£ PVG £ 3,000

Heritage Trust of Lincolnshire
The Old King's Head, King Street,
Kirton, Lincolnshire

£ PDG £ 5,000

Creative Quarter Nottingham Limited
The People's Hall, 18 Heathcote Street,
Nottingham

£ PVG £ 3,000

Lister Steps
West Derby Carnegie Library,
Green Lane, Liverpool

£ PDG £ 7,500

Derbyshire Historic Buildings Trust
South Wingfield Station, Holm Lane,
Oakerthorpe, Alfreton, Derbyshire

£ PVG £ 2,600

North East Theatre Trust Ltd
63 Quayside,
Newcastle upon Tyne

£ PDG £ 6,500

Fort Bovisand Trust
Fort Bovisand, Plymouth, Devon

£ PDG £ 5,000

North Meols Library Association
Bowls Pavilion, Botanic Gardens,
Southport, Sefton

£ PVG £ 300

FINANCIAL REVIEW

Grants awarded

Grants awarded during 2015/16

Name of applicant Project Country Grant type Sum offered

North of England Civic Trust
Warwick Bridge Corn Mill, Warwick Bridge,
Carlisle, Cumbria
£ PDG £ 2,250

Sudbury Gasworks Restoration Trust
The Old Gasworks, School Lane,
Sudbury, Derbyshire
£ PDG £ 2,550

North of England Civic Trust
Council Chambers, Main Street,
Frizington, Cumbria
£ PDG £ 10,000

The Cross Keys Community Society (Pub) Ltd
The Cross Keys Inn, Kinnerley,
Oswestry, Shropshire
£ PVG £ 2,000

Providence Chapel Charlwood Trust
Providence Chapel, Chapel Road,
Charlwood, Surrey
£ PDG £ 2,500

The Gaia Trust
Welcombe Barton and associated buildings,
Welcombe, Bideford, Devon
£ PVG £ 3,000

Re Source Blackburn
Former Cotton Exchange / Apollo 5 Cinema,
Blackburn, Lancashire
£ PVG £ 3,000

The Heritage Trust
Bretby Art Pottery, Swadlincote Road,
Woodville, Swadlincote, Derbyshire
£ PVG £ 2,100

Real Ideas Organisation (RIO) CIC
Oddfellows Hall/ Ker Street Social Club,
120-122 Ker Street, Plymouth, Devon
£ PVG £ 2,730

The Historical Diving Society
No 2 Battery, Stokes Bay Road,
Gosport, Hampshire
£ PVG £ 2,430

Royal Hippodrome Theatre CIC
Royal Hippodrome Theatre, 108-112
Seaside Road, Eastbourne, East Sussex
£ PDG £ 5,000

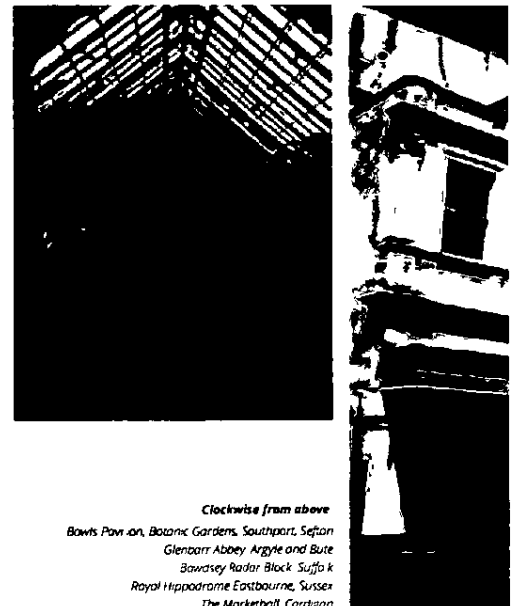
The National Trust
Stoke-sub-Hamdon Priory, North Street,
Stoke-sub-Hamdon, Somerset
£ PVG £ 2,000

S1 Artspace
Duke Street Building, Park Hill,
Sheffield, South Yorkshire
£ PDG £ 25,000

The New Mechanics' Institution
Preservation Trust Ltd
The New Mechanics' Institution,
Railway Village, Swindon, Wiltshire
£ PVG £ 3,000

Saltdean Lido CIC
Saltdean Lido, Saltdean Park Road,
Saltdean, East Sussex
£ PDG £ 5,000

The Wisbech Society & Preservation Trust Ltd
Cemetery Chapel, Wisbech General
Cemetery, Wisbech, Cambridgeshire
£ PVG £ 1,500



Clockwise from above
Bowls Pavilion, Botanic Gardens, Southampton, Sefton
Glennan Abbey, Argyll and Bute
Bawdsey Radar Block, Suffolk
Royal Hippodrome, Eastbourne, Sussex
The Market Hall, Cardiff

Grants awarded during 2015/16

Name of applicant Project ● Country ● Grant type ● Sum offered

Trimley Station Community Trust
Trimley Station, Station Road,
Trimley St Mary, Felixstowe, Suffolk

£ PDG £ 1,500

Tyne and Wear Building Preservation Trust Ltd
St Hilda's Colliery Head Stock,
South Shields, South Tyneside

£ PDG £ 3,900

Worcestershire BPT
Weavers' Cottages, 20, 21 & 22 Horsefair,
Kidderminster, Worcestershire

£ PDG £ 10,000

Zoological Society of London
Snowdon Aviary, ZSL London Zoo,
Regents Park, London

£ PDG £ 5,000

Northern Ireland Foundation
Carnegie Library, 46 Oldpark Road,
Belfast, Belfast City

NI PVG £ 3,000

Above Adventure Ltd
Grange Church, Kilmarnock,
South Ayrshire

S PVG £ 3,000

Citizens Theatre
Citizens Theatre, 119 Gorbais Street,
Glasgow

S PDG £ 5,000

Clan Mackenzie Charitable Trust
Castle Leod, Strathpeffer, Highland

S PDG £ 6,000

Clydesdale Amateur Rowing Club
West Boathouse, Glasgow Green, Glasgow

S PVG £ 3,000

Dumfries Historic Building Trust
Former George Street School of Art,
Dumfries, Dumfries & Galloway

S PVG £ 1,500

Dundee Museum of Transport Trust
Maryfield Tram Depot, 25 Forfar Road,
Dundee

S PDG £ 22,750

Edinburgh Fruitmarket Gallery
36/39 Market Street, Edinburgh

S PDG £ 6,500

Edinburgh World Heritage Trust
Tron Kirk, Edinburgh

S PDG £ 10,000

Ferryhill Railway Heritage Trust
Former Engine Shed, Polmuir Avenue,
Aberdeen, Aberdeenshire

S PDG £ 15,000

Glasgow Building Preservation Trust
Provan Hall, Auchinlea Road, Glasgow

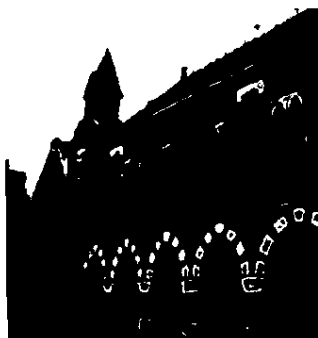
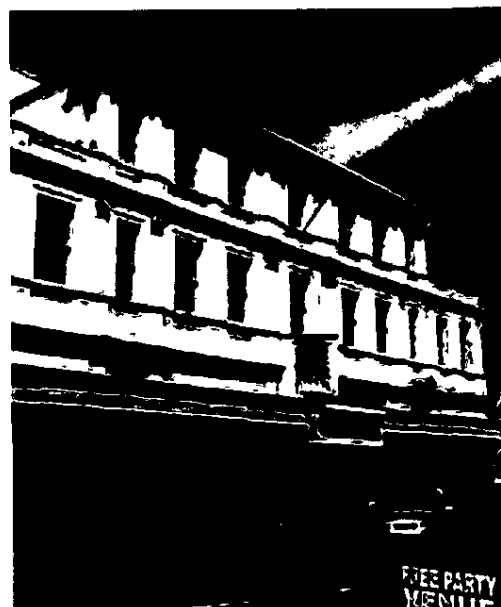
S PDG £ 10,000

Govan Workspace Limited
Govan Old Parish Church,
866/868 Govan Road, Glasgow

S PDG £ 5,000

Govanhill Baths Community Trust
Govanhill Baths, 99 Calder Street, Glasgow

S PDG £ 10,000



FINANCIAL REVIEW

Grants awarded

Grants awarded during 2015/16

Name of applicant Project Country Grant type Sum offered

King's Theatre Kirkcaldy Limited
Former King's Theatre, 252-262 High Street,
Kirkcaldy, Fife, KY1 1LA

S PVG £ 3,000

Lochgilthead Phoenix
Clock Lodge, Kilmory, Lochgilthead,
Argyll and Bute

S PDG £ 11,900

Oban Communities Trust
Former Rockfield School, Oban,
Argyll and Bute

S PDG £ 22,900

Perth & Kinross Heritage Trust
Stanley Mills (East Range), Stanley,
Perth & Kinross

S PVG £ 3,000

Renfrew Development Trust
Former Police Station, Renfrew, Renfrewshire

S PVG £ 5,000

Scottish Centre for Personal Safety
Barony St John Church & Halls (Former),
Ardrossan, North Ayrshire

S PVG £ 3,000

Southside Housing Association
British Linen Bank Tenement,
162-170 Gorbals Street, Glasgow

S PDG £ 15,000

Stonehaven Town Partnership
Sherriff Court Building, Stonehaven,
Aberdeenshire

S PVG £ 3,000

Strathnaver Museum Trust
Strathnaver Museum, Clachan,
Bettyhill, Highland

S PDG £ 7,000

The National Trust for Scotland
Harlawhill House, Harlawhill,
Prestonpans, East Lothian

S PVG £ 3,000

The Pipe Factory
White's Clay Pipe Factory 1, Glasgow

S PDG £ 10,650

Urras Dualchas Shiaboist
Old Church Building, Shawbost,
Isle of Lewis, Western Isles

S PDG £ 15,000

Willow Tea Rooms Trust
Willow Tea Rooms, Glasgow

S PDG £ 10,000

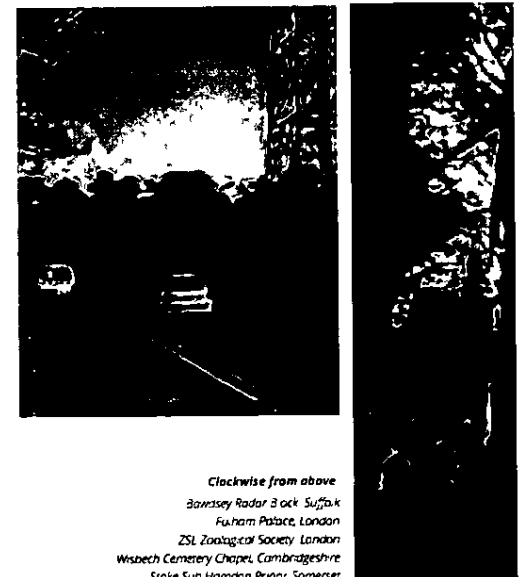
Cardigan Building Preservation Trust
The Markethall, Cardigan, Ceredigion

W PDG £ 4,950

Welsh Historic Gardens Trust
Tywi Gateway, Outbuildings at County
Museum, Abergwili, Carmarthenshire

W PVG £ 1,450

Total offered £ 375,033⁵

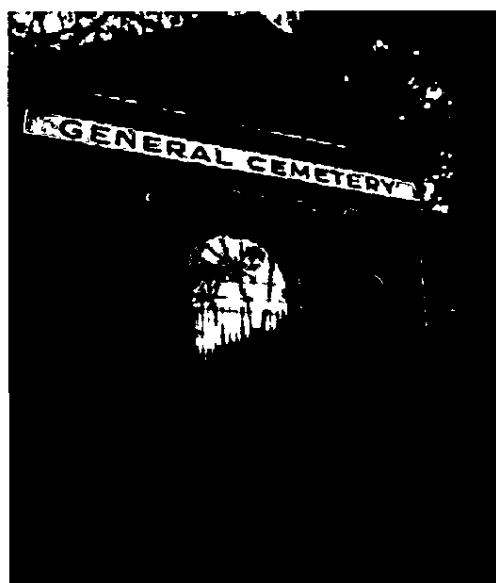


Clockwise from above
Dorchester Radar Block Suffolk
Fulham Palace, London
ZSL Zoological Society, London
Wisbech Cemetery Chapel, Cambridgeshire
Stoke Sub Hamdon Priory, Somerset

⁵ Including £26,350 offered and subsequently withdrawn

FINANCIAL REVIEW

New loans and extensions



New loan offers and extensions during 2015/16

Name of applicant Project Country Loan or Extension Sum offered

Bawdsey Radar Trust
Bawdsey Transmitter Block, Woodbridge

100,000

Heritage Trust of Lincolnshire
Former King's Head Public House, Kirton

100,000

Heritage of London Trust Operations Ltd
St George's Royal Garrison Church,
Woolwich

60,000

Romsey & District BPT
Former Latimer News, Romsey

300,000 + 25,000

Spitalfields HBT
The Archbishops Palace, Charing, Ashford

425,000

Stratford HBT
The Old Toll House, Clopton Bridge,
Stratford upon Avon

70,000

The SAVE Trust
Castle House, Bridgwater

20,000

Turner's House Trust
Sandycombe Lodge, Twickenham

150,000

Artists Collective Gallery
City Observatory, Edinburgh

200,000

Edinburgh Printmakers Ltd
Castlemills, Former North British Rubber
Company building, Edinburgh

400,000

Kirkmichael Trust
Kirkmichael, Dingwall

70,000

The Pipe Factory
White's Clay Pipe Factory I, Glasgow

30,000

Total offered £ 1,950,000

Clophill Heritage Trust
St Mary's Old Church, Clophill

150,000

Ivy House Community Pub Ltd
The Ivy House Public House, Nunhead

507,000

Portland Works Little Sheffield Ltd
Portland Works, Sheffield

200,000

Castle Roy Trust
Castle Roy, Nethy Bridge, Highland

60,000

Fact Three
Lansdowne Parish Church, Glasgow

150,000

Total offered £ 1,067,000

FINANCIAL REVIEW

Principal risks and uncertainties
Risk profile

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. It discharges this responsibility through its 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. It 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 AHF is willing to assume.

The AHF operates in a risk environment that is complex and which involves 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.

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

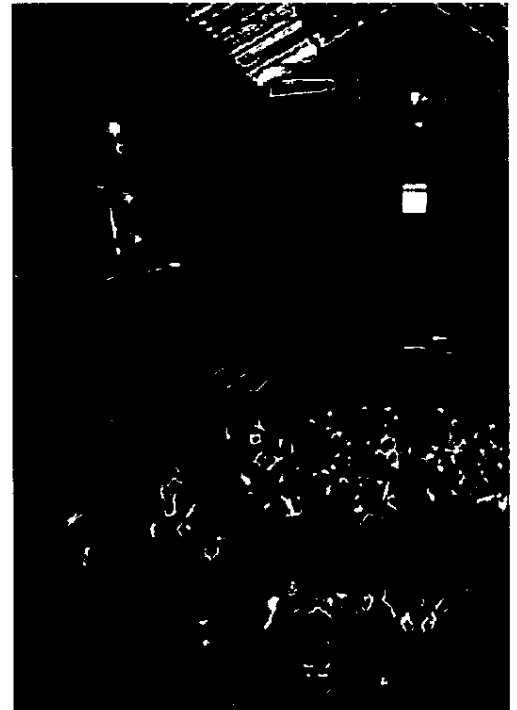
A comprehensive risk management framework which meets the Charity Commission's requirements. This consists of five stages, from understanding the risk environment through risk identification, analysis and evaluation to risk treatment.

The maintenance of a risk register, which is reviewed quarterly by the senior management team and twice a year by the Audit & Risk Committee. Risks are considered in four key areas: external environment, talent, financial, infrastructure. All identified risks are assessed for both likelihood of occurrence and potential financial and reputational impact, to give a gross risk. Mitigating controls are then considered, giving a net remaining risk. The risk-management strategy forms part of the planning process, against which the Board reviews progress formally every year.

Risk profile

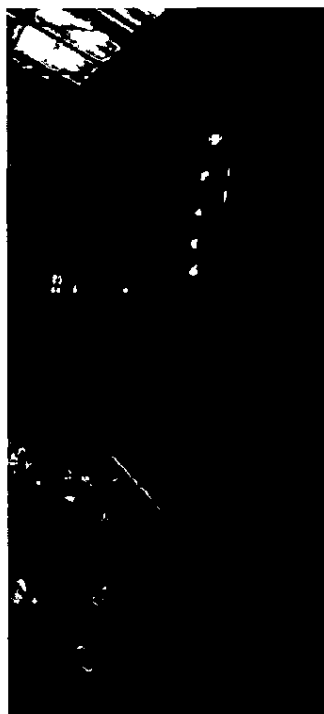
Recent developments in the charity sector as a whole have seen increased media, public and regulator interest in the operation of charities. The Board and executive remain focused on those risks which could adversely affect the reputation of the AHF. We have defined a set of core values of the AHF that we will adhere to at all times to ensure the reputation of the AHF is maintained. These values are:

- Equality and diversity
- Customer focus
- Excellence
- Collaboration
- Integrity, respect and professionalism
- Evidence-led decision-making
- Pioneering and risk-taking
- Maximising leverage
- Legacy



Clockwise from top
Govan Old Parish Church Glasgow / Photography © Colin McLean
Riddell's Warehouse, Belfast
Pipe Factory (Phase 1), Glasgow / Photography © SIG OHA
Citizens Theatre, Glasgow / Photography © Colin McLean

Risk area	Risk Description	Risk Management
External environment	<p>The environment for investment in heritage becomes less favourable, thereby reducing the impact of the AHF's work (e.g. due to reduced funding by Government/investors and/or reduced demand for the AHF's services from its clients)</p> <p>Greater scrutiny of charities and their governance presents an increase in potential reputational risk</p>	<p>Monitoring of external environment, active engagement in dialogue with key funders and building strong relationships and alliances with funders and partner organisations</p> <p>Seek regular feedback from clients on opportunities and requirements and adjusting policies and products accordingly</p> <p>Set of core values introduced against which service standards are bench-marked to maintain a good reputation at all times</p>
Talent	<p>Talented staff are not attracted, developed and retained in an increasingly competitive labour market</p> <p>Staff do not possess the skills to perform their duties</p>	<p>Performance management and appraisal processes carried out routinely</p> <p>Individual job and personal development plans created that link through to the AHF strategy and operational plan</p> <p>Salary and employee benefits benchmarked reviewed and adjusted as necessary</p> <p>Training budget set at over £750 per employee for 16/17</p>
Financial	<p>Falling income as a result of one or more of the following: bad debts, reduced grant income, low interest on bank deposits, reduced borrowing, fraud, financial mismanagement</p>	<p>Loan Portfolio Performance Management System and overdue loans policy introduced</p> <p>Rigorous assessment process used for new loan applications</p> <p>Impact of activities measured and reported</p> <p>Competitive interest rates maintained for lending</p> <p>Regular reviews of internal controls on financial management and anti-fraud and money laundering procedures</p> <p>Regular financial planning including income reserves and cash flow projections and the budgeting and monitoring of actual expenditure</p>
Infrastructure	<p>IT/communications equipment is erratic, seriously disrupted or ceases to work altogether</p> <p>Loss of data and files including computer and paper records, photo library and report archive</p> <p>Temporary loss of office and/or equipment</p>	<p>Regular reviews of, and investment in, IT infrastructure</p> <p>Well established back-up procedures in place with daily back-ups stored off-site</p> <p>Digital copies taken of all business critical documents, including loan agreements, grant offers, client information, financial records etc</p> <p>Disaster recovery plan with insurance provision for temporary office and equipment if required</p>



STRUCTURE, GOVERNANCE AND MANAGEMENT

Council of Management Committees

The Architectural Heritage Fund (AHF) is incorporated as a company limited by guarantee (company number 1150304), 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)

As of 13 July 2015, the AHF is regulated by the Financial Conduct Authority and is recorded on the Financial Services Register (number 707421)

Registered office is 3 Spital Yard, Spital Square, London E1 6AQ

Council of Management

The governing body of the AHF is the Council of Management (otherwise known as 'the Board'), 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 up to 12 appointed Trustees, including the Chairman, who contribute diverse areas of heritage and business expertise and who represent the whole of the UK. The Board meets quarterly throughout the year (with an additional strategic planning meeting in February) and provides strategic leadership to the organisation. Trustees also make decisions on loans and on UK-wide targeted programmes and initiatives.

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. Individual trustees must have sufficient knowledge, both of trusteeship in general and of the charity's activities, to enable them to carry out their role and to represent the charity. Therefore, the AHF maintains a Board skills register and seeks to recruit new trustees with the skills it needs to deliver its objectives. Recruitment is undertaken through an open, advertised and competitive process, utilising existing recruitment platforms and relevant networks. Appointments can be made at any time, and the process is managed by the Nominations Committee in accordance with Charity Commission guidance (CC30). Final decisions on appointment rest with the Board, acting on the advice of the Nominations Committee.

Before the official date of appointment, each new member is provided with a full information pack covering the work and governance of the AHF, is formally inducted by the Chairman and the Chief Executive, and where possible attends at least one Board meeting as an observer. Trustees are encouraged to visit current projects, and are kept informed of relevant changes to the law by means of Board papers.

The AHF maintains indemnity insurance for its Trustees and its officers against liability in respect of actions brought by third parties, subject to the conditions set out in the Companies Act 2006.

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 arms-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.



*From top
Port and Starke, Sheffield
Glasgow Carnegie Library, Belfast
Dene Banqueting Hall, Newcastle upon Tyne*

Committees

There are currently four sub-committees, the Finance & General Purposes Committee, the Audit & Risk Committee, the Grants Panel and the Nominations Committee. Further sub-committees will be established during the course of this year to deliver the draft strategic objectives for the organisation, including a Credit Panel and possibly a Fundraising Committee.

Finance & General Purposes Committee

The Finance & General Purposes Committee comprises the Chairman or Deputy Chairman and any two other members of the Board. Responsibility is delegated to this Committee to make some loan and grant offers, and to deal with other matters between Council meetings, either by meeting or by post.

All members of the Council of Management are eligible as members of the Finance and General Purposes Committee.

Audit & Risk Committee

Composed of up to four Board members, the duty of the Audit & 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 Committee has a particular duty of scrutinising the annual accounts in draft form, and it is also responsible for managing the relationship with the Auditors. It also advises on how the organisation should manage and monitor risk and on the completeness of the AHF's risk register. The Audit & Risk Committee meets three times a year, in January, June and September.

Nominations Committee

The Nominations Committee is responsible for establishing protocols for the appointment of Trustees and the Chairman, for organising the selection criteria and running the recruitment process and for making recommendations for appointment to the Board. The Committee meets when required. The duties of the Committee also include a running audit of current Trustees to establish

gaps and to identify an appropriate strategy for addressing these shortages (having in mind the strategic objectives of the AHF).

Grants Panel

Decisions on grant applications for amounts over £5,000 are taken by the Board. The number of applications for decision has risen significantly in recent times and is likely to increase further. This is reducing significantly the amount of time available at Board meetings for matters of strategic direction. Therefore, a panel was established in December 2015 to consider recommendations from staff on grant requests over £5,000 on a quarterly basis, in order to present a schedule of decisions to the Board for ratification.

The Grants Panel comprises four Trustees representing England, Northern Ireland, Scotland and Wales, and the Chief Executive. The Operations Manager is its Secretary. It meets quarterly on the same day, but preceding the Board meeting. Terms of appointment are for three years but are synchronised with the serving terms of Trustee appointments. The Chairman revolves between the four Trustees on an annual basis.

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

Board	Board Committees				
Trustees	Year of appoint.	Audit & Risk	Fin. & Gen. Purposes	Grants Panel	Nominations Committee
Myra Barnes	2013	●	●		
Roy Dantzig (<i>retired 31/3/16</i>)	2001	●	●		
Elizabeth Davidson	2007		●	●	●
Kate Dickson	2013		●	●	
John Duggan	2010	●	●		
Rita Harkin	2011		●	●	
Roy Hodson (<i>from 1/4/16</i>)	2016	●	●		
Michael Hoare (<i>until 31/3/16</i>)	2008	●	●		
Richard Keen	2014		●	●	
Philip Kirby	2011		●		●
Elizabeth Peace (Chairman)	2014		●		●
Douglas Reid (<i>retired 31/3/16</i>)	2013		●		
Merlin Waterson (<i>retired 30/9/15</i>)	1999		●		



PLANS FOR THE FUTURE

Plans for the future

The AHF Board's annual Policy and Strategy meeting took place in February 2016. This was an opportunity for the charity's Trustees to discuss and agree strategic priorities for the next three-year period, 2016-19. The key outcomes from the meeting were as follows:

Trustees approved the organisational Strategy for 2016-19, including the AHF's mission, objectives and values. This strategy reflects the AHF's ambition of utilising the UK's rich architectural heritage as a vehicle for delivering beneficial social outcomes and reducing inequality and poverty of skills and ambition. It is supported by an annual operational plan that is reviewed and updated quarterly to ensure that appropriate action is taken to achieve key priorities and that they remain effective in fulfilling the charitable objects of the AHF. The priorities are:

- 1 Growing our loan book and attracting more investment
- 2 Introducing new grant and loan programmes
- 3 Strengthening the delivery of our community support services
- 4 Measuring and reporting on the impact of the projects we have supported
- 5 Strengthening our governance
- 6 Working with key partners to build the capacity of community heritage organisations

Trustees endorsed proposals to develop AHF as the main social investment organisation in the heritage sector and a number of new initiatives were agreed to achieve this. This included the AHF purchasing Community Shares where appropriate – e.g. debt for equity swaps on existing loans, converting grant offers into Community Shares and purchasing shares instead of offering grants or loans.

Trustees approved a new Grants Policy and draft guidance on grants, with more emphasis placed on social impact in addition to our continuing support for heritage at risk.

Trustees approved a draft Fundraising Strategy for the organisation.

A further priority for the AHF is to resolve the current imbalance between income and expenditure. This is being achieved by reducing the AHF's operating costs through improved efficiencies, by securing new investment and by increasing income from lending and bank deposits.



From top
Ashson Gate, Bristol / Photography © Nick Church
Hastings Pier, Sussex
Castle Roy Trust, Netley Bridge

TRUSTEES, EXECUTIVE AND THE AHF TEAM

Trustees

Trustees

Liz Peace CBE

Chairman

During her time as Chief Executive at the British Property Federation, Liz managed to change the Government's perception of the commercial property industry, to establish it as a key voice in policy debate, to dissuade the Government from legislating on commercial leases, to win innumerable changes to planning and tax legislation and, working as part of a pan-industry alliance, to persuade the Government to introduce real estate investment trusts (REITs). Previously, Liz was a civil servant in the MOD, eventually becoming a key player in the team that created QinetiQ plc. Liz currently holds a range of non-executive, advisory and charity roles, including at Morgan Sindall plc, Redrow plc, and the Churches Conservation Trust. She is the chairman of LandAid, the property industry's principal charity and is also chairing the shadow board for the Curzon Urban Regeneration Company in Birmingham. Liz has also recently been appointed to chair the embryonic organisation that is being set up under the Government's New Property Model initiative to asset-manage departmental property portfolios.

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 was a member of the Supervisory Board at PwC, chaired the Audit & Risk Committee and was a non-executive director on the UK Deals Executive. He is a Chartered Accountant (ICAEW). Roy is also a mentor to social entrepreneurs involved in start-ups and scale ups at The School for Social Entrepreneurs in London.

Myra Barnes

Myra Barnes is a Chartered Town Planner currently working as a Partner in a small town planning consultancy. Additionally, Myra is an Independent Member of the Assets Committee for Genesis Housing Association and a Beanstalk Volunteer working with primary school children needing help with progressing their reading. Myra previously was Head of Planning for National Grid Property where she worked on major regeneration schemes and worked to enhance the value of former gasworks sites all over Britain seeking to bring them back into beneficial use. Prior to this Myra worked as Development Manager for Olympia & York producing the masterplan, design guidelines and planning for the development of Canary Wharf, Heron Quays and Port East. She also worked as Assistant to the Chief Executive at the London Docklands Development Corporation working on many of the key Docklands developments. Her earlier career was as a planning officer at London Borough of Southwark and Surrey County Council.

Elizabeth Davidson OBE

Chair of Grants Committee (Trustee for Scotland)

Liz Davidson is the Senior Project Manager for the restoration of the Mackintosh Building at Glasgow School of Art. Liz was previously Director of the Merchant City Townscape Heritage Initiative. Prior to this, she was director of the Glasgow Building Preservation Trust, developing projects such as the St. Andrews in the Square Centre for Traditional Music, the Tobacco Lairds House and St. Francis Centre in the city's Gorbals. Whilst working at the Scottish Civic Trust Liz also developed and launched the Doors Open Day initiative to encourage free public access and understanding to the city's best historic buildings and sites – an initiative that is now flourishing across the UK. She is a serving committee member of the HLF Panel for Scotland, a trustee of the Kilmahew St. Peter's Trust, and an Honorary Fellow of the Royal Incorporation of Architects in Scotland.

TRUSTEES, EXECUTIVE AND THE AHF TEAM

*Trustees***Kate Dickson**

Kate heads Creative Heritage Consultants Ltd, a multi-disciplinary practice that offers a range of advisory services to those with responsibilities for listed and historic buildings, especially redundant structures and those 'at risk'. She gained particular experience in creative reuse as the Director of Heritage Works BPT, a post she held for over ten years, during which time the Trust delivered a number of major regeneration projects, including the nationally significant shell repair of Murrays' Mills in Ancoats, Manchester. She continues her activities in the heritage building trust sector as Chair of the Heritage Trust Network in the Midlands and National Council member for the Association for Industrial Archeology. Kate is a registered architect and a membership assessor for the Institute of Historic Building Conservation. She is a mentor, monitor and expert adviser to the Heritage Lottery Fund, and previously served on the Heritage Lottery Fund NW regional committee.

John Duggan DL

John Duggan is an experienced businessman with over 35 years in real estate and retail in the UK, the US, Asia and continental Europe. He is currently Chairman of Baytree Logistics Properties, in partnership with AXA IM Real Assets and Chair of Milton Keynes Development Partnership. He was Chairman and previously Chief Executive of Gazeley for twenty years, a leading international developer of distribution space, a wholly owned subsidiary of ASDA/Wal*Mart, and Property Director and member of the management board of ASDA. Prior to joining Gazeley he was in the house-building sector with Barratts and Hunting Gate. He has held a number of other Non-Executive appointments on the boards of AIM listed companies. His previous not for profit appointments include being Chair of Milton Keynes Parks Trust for twenty years, a board member of the China US Centre for sustainability, a member of the Investment Committee of the Bridges Ventures Sustainability Fund and, until recently an adviser to Actis (previously the Commonwealth Development Fund) on logistics development in Africa.

Rita Harkin

(Trustee for Northern Ireland)

Rita Harkin is a built heritage consultant. From 2000 to 2013 Rita fronted the Ulster Architectural Heritage Society, leading it on high profile planning casework and campaigns, she also developed its education and traditional building skills programmes. Prior to that she was employed as Heritage Officer with Belfast City Council, a researcher with Rachel Bevan Architects, and Northern Ireland Development Officer for the Ecology Building Society. Rita currently serves on the board of Hearth Revolving Fund, Northern Ireland's first BPT, and the Irish Landmark Trust, which saves and restores historic buildings to provide holiday accommodation. She has an MA in Town Planning from Edinburgh College of Art and a Royal Society of Ulster Architects' Diploma in Historic Building Conservation. Rita was awarded a Winston Churchill Travelling Fellowship to study best practice in universal access to historic buildings in Scandinavia and the United States.

Richard Keen

(Trustee for Wales)

Richard Keen is a consultant specialising in working with local communities in developing heritage as an aid to economic and cultural regeneration. He has over forty years' experience working in Welsh heritage including employment with the National Museum of Wales and the National Trust with direct responsibility for the care and conservation of historic buildings and landscapes and the implementation and management of medium and large scale projects. He has served on the Ancient Monuments Board for Wales, the Historic Buildings Advisory Council (Chairman from May 2004 to July 2010), and Heritage Lottery Fund Committee for Wales. He is currently the Chair for Wales of the Heritage Trust Network (Association of Preservation Trusts), Trustee of the Welsh Georgian Trust, Director of the Commodum Trust, Trustee of the Land Phil Global Trust and the Pembrey Mountain Trust.

*Left to right from front
Elizabeth Davison, Liz Peace, Roy Hodson,
Kate Dickson, Rita Harkin, John Duggan,
Philip Kirby, Richard Keen, Myra Barnes*



TRUSTEES, EXECUTIVE AND THE AHF TEAM

Trustees

Executive

Phillip Kirby OBE

Chair of Nominations Committee

Phillip Kirby brings with him years of experience in project management, construction, professional appointments and budgeting. Previously he was Managing Director of National Grid Property specialising in the clean-up, regeneration and sale of, often contaminated, ex-gas and electrical industrial sites as well as the design and construction of new build offices and fit outs for the group. He was involved with many industry bodies, chairing two contaminated land research groups, was a member of the Lord Rogers-led Urban Task force and also chaired working groups with the Government in the early 1990s to help formulate the contaminated land legislation that we have today. Prior to National Grid and British Gas, he worked for Stanhope dealing with the development and construction of large office developments and business parks, leading design teams and developing sites such as Stockley Park, Chiswick and Broadgate. His early career was in Civil Engineering on projects ranging from roads and bridges to sea and river defences, including the Thames Barrier.

Executive

The executive comprises two teams: Operations and Investment. The AHF Operations Team runs our advice service and grants programmes. The AHF Investment Team manages our lending function, looks after our cash investments and assists the Chief Executive with attracting new funding. The Investment Team is based in our central London office, whereas Operations Team members are dispersed across the English regions and in Scotland, where they are better placed to meet the needs of locally-based groups.

The Senior Management Team comprises the Chief Executive, the Operations Manager and the Investment Manager.

Ian Morrison

Chief Executive

Ian Morrison was appointed Chief Executive of the AHF in March 2015 and has sought to expand the charity's advice, grants and loan services to help meet the growing demand of enterprising communities that wish to repair and re-use historic buildings they value for public benefit. Ian was previously the Head of Historic Environment at the Heritage Lottery Fund (HLF), where he held the lead UK policy role for the historic environment since 2008 and designed and introduced HLF's Heritage Enterprise and Grants for Places of Worship grant programmes. Prior to joining HLF, Ian worked for Historic England for 15 years as a Team Leader and Inspector of Ancient Monuments, specialising in the regeneration of historic former industrial sites in the far South West. He is a serving member of the Cathedrals Fabric Commission for England and Historic England's Expert Advisory Group. Ian lectures widely on heritage-led regeneration and is currently a visiting lecturer at the Paris-Sorbonne University.

Gavin Richards

Operations Manager

Gavin was appointed AHF Operations Manager in 2015, with additional responsibility for projects in Yorkshire, the North East of England, and Northern Ireland. Based in Sheffield, Gavin joined the AHF in 2007, supporting building preservation trusts and other voluntary sector groups to find sustainable new uses for historic buildings at risk. Since 2012 he has managed the AHF's team of freelance Support Officers, and is also responsible for the AHF's grants programmes.

Gavin has a long-standing interest in both the heritage and voluntary sector and is passionate about the contribution historic buildings can make to urban regeneration. After a period spent working abroad following graduation, he worked at the Directory of Social Change, where he researched and co-wrote the best-selling *Guide to the Major Trusts*. His experience in the heritage sector began at the Heritage Lottery Fund.

TRUSTEES, EXECUTIVE AND THE AHF TEAM

Executive

The AHF team

in 2001, starting in London before relocating to Yorkshire to join the new regional team. He went on to manage a Townscape Heritage Initiative scheme in the North West of England before joining the AHF.

Andy Richardson Investment Manager

Having joined the AHF in 2012, Andy was appointed Investment Manager in 2015 and is responsible for the AHF's loan facilities and a community share portfolio. Having worked within the social investment sector for over five years, and with a further nine years in retail, commercial and corporate banking, Andy brings a wealth of appropriate experience to the AHF and its borrowers. Further, he has been employed in a campaigning role for a major national charity and as a Regional Grants Manager for a Non-Departmental Public Body, delivering and monitoring over £9m of funding to grass-roots charities in Yorkshire and the Humber.

The AHF team

AHF employees

Gordon Barr
Support Officer (Scotland)
appointed 1 April 2016

Diane Kendal
Personal Assistant and Office Manager
retired on 31 October 2015

Ian Morrison
Chief Executive and Company Secretary

Ian Rice
Loans and Policy Officer

Gavin Richards
Operations Manager

Andy Richardson
Investment Manager

Paul Tozer (Finance Manager)
retired on 29 May 2015

From 1 November 2015 the AHF's financial and payroll services have been performed under contract by Kingston Smith for a fixed fee.

Contracted Support Officers

In 2012, the AHF launched a new initiative, part-funded by Historic England and Historic Environment Scotland, to provide locally-based support to community organisations seeking to take on heritage buildings at risk, engaging Support Officers on a contracted basis across England and Scotland. The Support Officers are:

Josephine Brown
Support Officer (South West)

Tessa Hilder
Support Officer (East England and South East)

Karen Houghton
Support Officer (Yorkshire and Humber)

Lucie Oakley
Support Officer (East Mids and East England)

Elizabeth Perkins
Support Officer (West Midlands)

Harriet Roberts
Support Officer (North East)

Daniel Rose
Support Officer (London)

Jess Steele
Support Officer (North West)

Professional Advisers

Solicitors

Bates, Wells & Braithwaite
10 Queen Street Place, London EC4R 1BE

Brechin Tindal Oatts
48 St Vincent Street, Glasgow G2 5HS

DWF, Bridgewater Place,
Water Lane, Leeds LS11 5DY

Morton Fraser, Quartermile Two,
2 Lister Square, Edinburgh EH3 9GL

Russell-Cooke Solicitors
2 Putney Hill, London SW15 6AB

Auditors

Kingston Smith LLP, Devonshire House,
60 Goswell Road, London EC1M 7AD

Bankers

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

Accounts are also held with
National Westminster Bank plc

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The members of the Council of Management (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 Council of Management 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 Council of Management 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

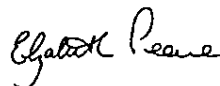
there is no relevant audit information of which the charitable company's auditor is unaware, and

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 Members of the Council of Management



Liz Peace
Chairman

28 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE ARCHITECTURAL HERITAGE FUND

We have audited the financial statements of The Architectural Heritage Fund for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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 charitable company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's trustees and members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and the charitable company's trustees and members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, 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.

We have been appointed auditors under section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE ARCHITECTURAL HERITAGE FUND

Opinion on the financial statements

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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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

Matters on which we are required to report by exception

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

the charitable company has not kept proper and adequate accounting records, 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' remunerations 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 take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report



Nicholas Brooks 11/11/16

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

Devonshire House, 60 Goswell Road,
London, EC1M 7AD

Kingston Smith LLP is eligible to act
as an auditor in terms of section 1212
of the Companies Act 2006

BENEFACTORS AND FRIENDS

In the year 1 April 2015 to 31 March 2016

BeneFACTORS (£20,000 or more)

Government

Cadw Welsh Historic Monuments



Friends (£100 – £400)

D K Robinson

Streonshalh Limited

P N Tomlinson

Nigel M Waring

Department for Culture, Media and Sport



Historic England



Supported by
Historic England

Historic Environment Scotland



HISTORIC
ENVIRONMENT
SCOTLAND | ARAINNEACHD
EACHDRAIDHEIL
ALBA

Charities

Strathclyde Building Preservation Trust



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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2016

	Endowment Fund £	Restricted Fund £	Unrestricted Fund £	2016 Total £	2015 Total £
Income and endowments from					
Donations and legacies					
Donations and legacies from individuals and corporations	-	-	890	890	1,101
Government grants ^{Note 4}	1,233,485	409,935	-	1,643,420	1,039,000
Other grants ^{Note 5}	-	69,000	-	69,000	33,987
	1,233,485	478,935	890	1,713,310	1,074,088
Charitable activities					
	-	-	18,760	18,760	7,511
	-	-	18,760	18,760	7,511
Investments					
Interest receivable – on bank deposits	-	-	13,312	13,312	11,367
Interest receivable – on loans disbursed	-	-	353,378	353,378	429,978
Rent receivable	-	-	38,149	38,149	34,938
	-	-	404,839	404,839	476,283
Total income	1,233,485	478,935	424,489	2,136,909	1,557,882
Expenditure on					
Raising funds					
Generating voluntary income	-	-	15,108	15,108	30,663
Investment management – financial	-	-	6,758	6,758	6,028
Investment management – property	-	-	13,339	13,339	21,490
	-	-	35,205	35,205	58,181
Charitable activities					
Loan and grant					
Losses on loans not previously provided for ^{Note 6}	156,347	-	-	156,347	91,412
Increase / (decrease) in the loan bad debt provision ^{Note 6}	72,978	-	14,842	87,820	100,707
Other loan related activities	-	-	155,367	155,367	188,465
Grantmaking	-	366,437	98,544	464,981	758,963
	229,325	366,437	268,753	864,515	1,139,548
Development and advocacy					
Capacity building	-	43,498	200,930	244,428	242,520
Annual Report and other publications	-	-	57,036	57,036	67,223
Contribution to the UK Association of Preservation Trusts	-	-	5,000	5,000	5,000
	-	43,498	262,966	306,464	314,743
Total expenditure on charitable activities	229,325	409,935	531,719	1,170,979	1,454,291
Total expenditure ^{Note 7}	229,325	409,935	566,924	1,206,184	1,512,472
Net income/(expenditure) and net movement in funds for the year ^{Note 9}	1,004,160	69,000	(142,435)	930,725	45,410
Reconciliation of funds					
Balances at 1 April 2015	10,609,801	50,000	2,432,444	13,092,245	13,046,835
Balances at 31 March 2016 ^{Note 17}	11,613,961	119,000	2,290,009	14,022,970	13,092,245

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2016 £	2015 £
Income		
Donations and legacies	890	1 101
Government grants	409,935	347 031
Other grants	69,000	33,987
Interest receivable	366,690	441 345
Rent receivable	38 149	34 938
Other income	18,760	7 511
Total income	903,424	865,913
Expenditure		
Costs of generating funds	35 205	58,181
Charitable activities	941,654	1 234 088
Total expenditure	976,859	1,338,446
Net expenditure before tax for the year	(73 435)	(472,533)
Tax payable	-	-
Net expenditure for the year	(73,435)	(472 533)

This income and expenditure account is included in the accounts in compliance with the Companies Act 2006. It excludes receipts on endowment funds in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102).

All amounts relate to continuing activities.

The notes on pages 72 to 87 form part of these financial statements.

Left

All amounts relate to continuing activities.

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

The notes on pages 72 to 87 form part of these financial statements.

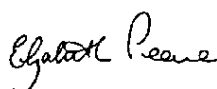
BALANCE SHEET AS AT 31 MARCH 2016

	2016		2015	
	£	£	£	£
Fixed assets				
Investment property ^{Note 13}		500,000		500,000
Other tangible assets ^{Note 14}		-		52,785
Programme related investments				
Loans disbursed for preservation projects ^{Note 2}		6,532,155		8,299,240
Total fixed assets		7,032,155		8,852,025
Current assets				
Debtors				
Loan interest receivable	414,264		765,475	
Government grants receivable	128,038		334,263	
Non government grants receivable	-		260,000	
Loan redemption funds held by solicitor	-		210,153	
Endowment funding receivable	1,233,485		-	
Other accrued income and prepayments	1,968		34,088	
	1,777,755		1,603,979	
Cash at bank and short-term deposits	7,905,896		5,334,113	
	9,683,651		6,938,092	
Creditors amounts falling due within one year ^{Note 6}	(2,692,836)		(2,697,872)	
Net current assets		6,990,815		4,240,220
Net assets		14,022,970		13,092,245
Funds ^{Note 18}				
Endowment fund		11,613,961		10,609,801
Restricted fund		119,000		50,000
Unrestricted funds				
Designated lending fund	1,670,009		1,812,444	
General fund	620,000		620,000	
		2,290,009		2,432,444
Total funds		14,022,970		13,092,245

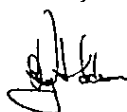
At the year end the AHF had commitments in respect of loans offered or contracted but not yet disbursed of £2,776,990 (2015 £3,447,418), see note 12

Programme related investments include £6,027,193 in loans outstanding which are due for repayment after more than one year (2015 £5,378,725). Interest receivable on these loans amounted to £265,394 (2015 £287,789)

The financial statements were approved by the Members of the Board and authorised for issue on 28 September 2016 and signed on their behalf by



Liz Peace
Chairman
28 September 2016



Roy Hodson
Chairman of the Audit & Risk Committee
28 September 2016

STATEMENT OF CASH FLOWS

	2016 £	2015 £
Net cash provided by/(used in) operating activities ^{Note 19}	1 815 733	(1,396 737)
Cash flows from investing activities		
Interest and rents from investments	756,050	352,766
Net cash provided by investing activities	756,050	352,766
Cash flows from financing activities		
Receipt of endowment	-	691 969
Net cash provided by investing activities	-	691 969
Increase/(Decrease) in cash and cash equivalents in the year	2,571,783	(352,002)
Cash and cash equivalents at the beginning of the year	5,334,113	5 686,115
Total cash and cash equivalents at the end of the year ^{Note 20}	7,905,896	5,334,113

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Company status

The charity is a company limited by guarantee domiciled and incorporate 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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)), 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.

FRS 102 has been adopted for the first time when preparing these financial statements. The transition date to FRS 102 was 1 April 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 March 2015. An explanation of how the transition has affected the reported financial position and financial performance is provided in note 21 to the financial statements.

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. After making enquiries 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.

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 quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity's being notified of an impending distribution or the legacy being received.

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.

Gifts in kind and donated facilities are included at the value to the Architectural Heritage Fund where this can be quantified and a third party is bearing the cost. No amounts are included for services donated by volunteers.

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 Council of Management and embodied in a legal agreement for each loan.

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

The general bad debt provision is estimated at 4.2% this year as detailed in note 6.

The provision of 4.2% of total loan interest receivable for the year is taken to be the impact on unrestricted revenue reserves from bad debts. Any further bad debt expense required is taken against the endowment fund.

Grants

The Architectural Heritage Fund makes refundable and non-refundable grants in furtherance of its objects. The terms of repayment of refundable grants are laid down by the Council of Management and embodied in a legal agreement for each grant approved.

Non-refundable grants offered are accounted for on the accruals basis. Refundable and non-refundable grants are disbursed when the recipient has fulfilled certain conditions that are individual to the particular case. The timing of the disbursement of grants cannot, therefore, be estimated with any reasonable accuracy by the Architectural Heritage Fund. For this reason, 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*.

Resources expended

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.

Costs of raising funds are those incurred in seeking voluntary contributions and managing the investment property. 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the balance sheet date. The surplus or deficit on revaluation is recognised in the statement of financial activities.

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, net of depreciation.

Depreciation is calculated to write off the cost, less estimated residual value, of all fixed assets on a straight line basis over their estimated useful lives as follows:

Office equipment – 5 years

Computer equipment – 3 years

Programme related investments

Concessionary loans and refundable grants 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 any accrued interest, 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 and other short-term liquid investments with original maturities of 100 days or less.

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.

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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

Fund accounting

Endowment fund Contributions received for lending to preservation projects constituting a capital fund which cannot be expended

Designated lending fund Resources allocated by the Council of Management 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 the payment of non-refundable grants have to be paid

Programme grant funds Programme grant funds, which are restricted funds, represent grants received towards the cost of specific charitable programmes

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

Investment property

"The trustees utilise regular valuations performed by independent valuers to assess the fair value of the AHF's investment properties. The valuation is based upon the key assumptions of estimated rental values and market based yields. With regard to redevelopments and refurbishments, future development costs and an appropriate discount rate are also used. In determining fair value the valuers make reference to market evidence and recent transaction prices for similar properties

Details of the valuation methodology and key assumptions are given in note 13. Management consider the significant assumptions to the valuation of investment properties to be estimated rental values and market based yields "

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 and historical experience. See note 6 for details of the impairment provision made

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

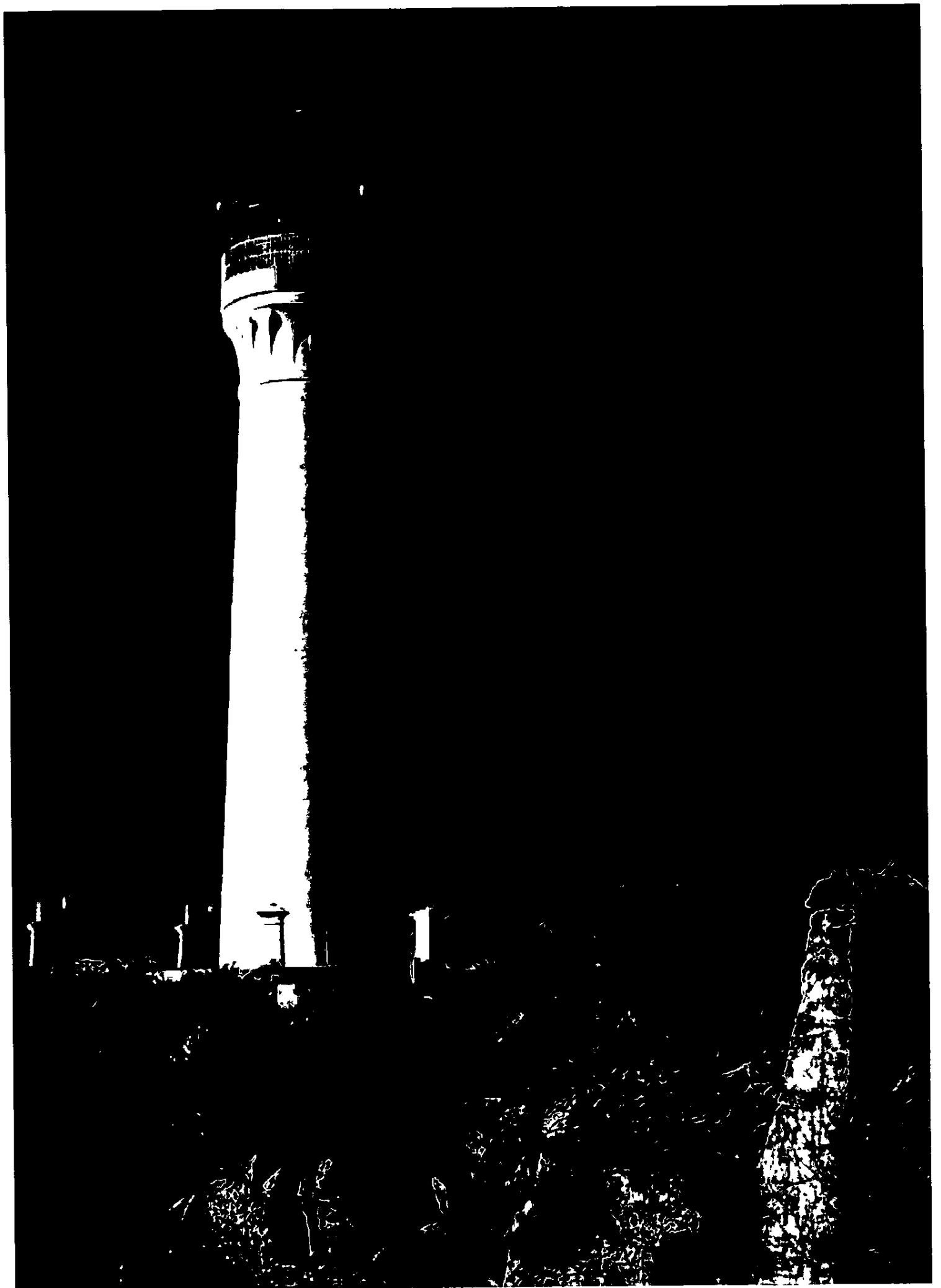
	Endowment fund £	Restricted funds £	2016 total £	2015 total £
4 / Analysis of government grant				
The Department for Culture Media & Sport (DCMS)	435,000	-	435,000	-
Historic England	-	264,920	264,920	639,000
Historic Environment Scotland	567,485	112,515	680,000	380,000
Cadw Welsh Historic Monuments	231,000	20,000	251,000	20,000
Dept of Environment Northern Ireland	-	12,500	12,500	-
	1,233,485	409,935	1,643,420	1,039,000

The income from government grants was £1,643,420 (2015 £1,039,000) of which £1,233,485 (2015 £691,969) was attributable to endowment funds and £409,935 (2015 £381,018) was restricted

	Endowment fund £	Restricted funds £	2016 total £	Restricted funds 2015 total £
5 / Other grant income				
The Pilgrim Trust				
Cold spots initiative	-	-	-	33,987
Strathclyde Building Preservation Trust				
SBPT Legacy Fund	-	69,000	69,000	-
	-	69,000	69,000	33,987

	Endowment fund £	Unrestricted funds £	2016 total £	Endowment fund 2015 total £
6 / Losses on loans and adjustments to the bad debt provision				
Losses on loans not previously provided for				
Capital	130,832	-	130,832	35,878
Interest	25,515	-	25,515	55,534
	156,347	-	156,347	91,412
Increase / (decrease) in the loan bad debt provision				
Loan capital - endowment - specific	119,796	-	119,796	72,985
Loan capital - endowment - general	(46,818)	-	(46,818)	9,629
Loan interest	-	14,842	14,842	18,093
	72,978	14,842	87,820	100,707

In recognition of the increasingly difficult lending environment in which the AHF needs to operate, and the consequent increase in risk that such funds may not be recoverable in full despite the AHF's best efforts, the AHF's trustees decided to create in 2013/14 an additional general bad debt provision of 4% on the balance of loan capital not specifically provided for. The rate of 4% was based on a review of the AHF's bad debt performance over the previous decade. On the basis of updated information, the Trustees consider that a rate of 4.2% is appropriate for 2015/16.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

7 / Analysis of total resources expended	Staff costs £	Grants ^{Note 8}	Legal & Professional costs £	Publication costs £	APT £
Resources expended					
Costs of generating funds	13,597	-	-	-	-
Loan-related activities	71,598	-	27,792	-	-
Grantmaking	104,453	247,936	-	-	-
Capacity building	116,652	-	-	-	-
Annual Review and other publications	29,444	-	-	18,986	-
Net contribution to the UK Association of Preservation Trusts	-	-	-	-	5,000
Governance costs	15,282	-	37,493	-	-
2016 total	351,026	247,936	65,285	18,986	5,000
2015 total	379,430	538,870	76,586	31,363	5,000

Additional information concerning grants can be found on pages 49-53 of the Review in note 2 on page 73

Loan-related activities include losses on loans of £156,347 (2015 £91,412) and a net increase of £174,029 (2015 £100,707 increase) in the provision for bad debts as detailed in Note 6

Other costs of £547,139 (2015 £384,044) include

General office and administration	£44,816	(2015 £28,894)
Accommodation, travel & subsistence	£18,502	(2015 £23,734)
Losses on loans not previously provided for	£156,347	(2015 £91,412)
Decrease in the provision for bad debts	£174,029	(2015 £100,707)
Investment property management (external)	£9,934	(2015 £17,951)
Regional support initiative	£76,252	(2015 £85,705)

Expenditure on charitable activities was £1,071,360 (2015 £1,454,291) of which £144,752 (2015 £174,026) was attributable to endowment funds, £409,935 (2015 £599,012) was restricted and £516,673 (2015 £681,253) was unrestricted

Premises costs £	Depreciation £	Other costs £	2016 total £	2015 total £
3,261	1,158	17,189	35,205	58,181
6,922	2,457	376,968	485,737	365,192
15,758	5,594	91,240	464,981	743,571
13,654	4,847	109,275	244,428	227,128
1,031	366	7,209	57,036	67,223
-	-	-	5,000	5,000
1,451	516	(54,742)	-	46,177
42,077	14,938	547,139	1,292,387	1,512,472
79,584	17,595	384,044	1,512,472	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	Offered £	Withdrawn £	2016 Net charge £	2015 Net charge £
8 / Non-refundable grants				
Core initiatives				
Project viability	76,450	(9,465)	66,985	58,080
Project development	298,583	(112,632)	185,951	257,636
Options appraisal (scheme no longer active)	-	-	-	(11,957)
Special initiatives				
Cold spots (scheme no longer active)	-	(5,000)	(5,000)	75,041
Challenge fund	-	-	-	160,070
	375,033	(127,097)	247,936	538,870

	Number	Number
Project viability	25	5
Project development	35	12
Cold spots	-	1
	60	18

	2016 £	2015 £
9 / Net movement in funds		
The net movement in funds is arrived at after charging		
Depreciation	14,938	17,595
Loss on disposal of fixed assets	37,847	-
Auditors' remuneration – current year	14,100	14,400
Auditors' remuneration – previous year	1,112	3,736
Auditors' remuneration – non audit services	22,751	6,293
Operating lease charges – land and buildings	25,659	47,520
Operating lease charges – office equipment	1,777	1,858

	2016 number	2016 number
10 / Employees		
Average monthly number of employees during the year	5	6
The number of employees whose remuneration exceeded £60,000 was £80,001 - £90,000	1	-

Key management comprises the trustees and the chief executive. Total key management personnel remuneration was £87,414 (2015: £60,388).

Staff costs comprise

Salaries	267,073	254,507
Support Officer (Scotland) – freelance part funded by Historic Scotland	25,044	26,400
Social security costs	15,500	16,831
Pension contributions	18,365	55,227
Other staff costs		
	351,026	379,430

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 2016 no pension contributions were outstanding (2015: £1,583).

Included in salaries costs are redundancy payments made during the year of £29,509 (2015: £nil) of which £8,629 (2015: £nil) is ex gratia in recognition of good service.

11 / Members of the Council of Management

Some of the Members of the Council of Management 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 Council's decision on the application. Any financial assistance is given in the ordinary course of the AHF's activities. The following Members of the Council of Management are involved with organisations which have received financial assistance from the AHF during the year: Ms Elizabeth Davidson, Mr Richard Keen and Doug Reid.

During the year, 7 Members (2015: 7) of the Council of Management incurred expenses for travel and subsistence amounting to £6,087 (2015: £5,563); none received any remuneration from the AHF.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
12 / Commitments		
Loan commitments		
The AHF had the following loan commitments at the year end		
Contracted but not yet fully disbursed	714,490	220,918
Offered but not yet contracted	2,062,500	3,226,500
Total Commitments	2,776,990	3,447,418

Operating leases

At 31 March 2016 the total of the AHFs future minimum lease payments under non-cancellable operating leases was

Amounts due within one year	22,762	47,985
Amounts due between one and five years	83,201	199,320
Amounts due after five years	-	171,600
	105,963	418,905

	2016 £	2015 £
13 / Investment property		
Friars Walk, Market Place Burton upon Trent Staffordshire net book value at year end	500,000	500,000

Friars Walk was acquired by the AHF in April 2009 in full settlement of an overdue loan on the property at a book value of £500,000 with capital and interest losses having been fully provided for in previous years. The book value of £500,000 at 31 March 2016 is in accordance with a valuation by an independent examiner dated 16 May 2014 which the Trustees have reviewed and consider to remain valid at 31 March 2016.

	Fixtures & fittings £	Computer equipment £	Office equipment £	Total £
14 / Other tangible assets				
Cost				
At 1 April 2015	75,718	17,237	13,907	106,862
Disposals	(75,718)	-	(13,907)	(89,625)
At 31 March 2016	<u>-</u>	<u>17,237</u>	<u>-</u>	<u>17,237</u>
Depreciation				
At 1 April 2015				
On disposals	30,292	17,237	6,548	54,077
Charge for the year	(42,912)	-	(8,866)	(51,778)
At 31 March 2016	<u>12,620</u>	<u>-</u>	<u>2,318</u>	<u>14,938</u>
	<u>-</u>	<u>17,237</u>	<u>-</u>	<u>17,237</u>
Net book value				
At 31 March 2016				
At 1 April 2015	-	-	-	-
The fixed assets are mainly used for direct charitable activities	<u>60,568</u>	<u>-</u>	<u>9,812</u>	<u>70,380</u>

	2016 £	2015 £
15 / Financial instruments		
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,775,787	1,569,891
	<u>1,775,787</u>	<u>1,569,891</u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,489,860	2,692,049
	<u>2,489,860</u>	<u>2,692,049</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	2016 £	2015 £
16 / Creditors		
Outstanding non-refundable grant offers	1,455,308	1,636,212
Heritage England – Challenge fund advance	1,000,000	1,000,000
Trade creditors	7,197	24,123
Tax and social security	6,891	5,823
Accruals and deferred income	223,440	31,714
	2,692,836	2,697,872

Deferred income

Deferred income as at 1 April 2015	-	-
Resources deferred in the year	196,085	-
Deferred income as at 31 March 2016	196,085	-

Income deferred in the year relates to grant income

	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total Funds £
17 / Analysis of net assets between funds				
Fund balances at 31 March 2016 represented by				
Fixed assets – investment property	-	500,000	-	500,000
Fixed assets – investments	549,000	5,983,153	-	6,532,153
Current assets	2,347,156	4,960,032	2,376,464	9,683,652
Current liabilities	(435,372)	-	(2,257,464)	(2,692,836)
Total net assets	2,460,784	11,443,185	119,000	14,022,969

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	Unrestricted funds				
	Designated lending fund £	General fund £	Restricted fund £	Endowment fund £	Total £
18 / Funds					
Balance at 1 April 2015	1 812,444	620 000	50,000	10 609 801	13,092,245
Net movement of funds for the year					
Endowment fund – contributions ^{Note 3}	-	-	-	1,233 485	1 233,485
Endowment fund – loan bad debt write-offs and provisions	-	-	-	(229,325)	(229,325)
Unrestricted fund – deficit for the year	-	(142,435)	-	-	(142,435)
Unrestricted fund – transfer to the general fund	(142 435)	142 435	-	-	-
Restricted fund – surplus for the year	-	-	69 000	-	69 000
Balance at 31 March 2016	1,670,009	620,000	119,000	11,613,961	14,022,970

The transfer of £142 435 from the designated lending fund to the general fund is in compliance with the AHPs reserves policy to hold 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 previous three years

Endowment fund	Geographical area	2016 £	2015 £
The balance at 31 March 2016 of £11 613 961 comprises the following			
Source			
<i>Restricted for lending in geographical areas</i>			
Historic England		6 283 163	6 313 995
The Department for Culture Media & Sport (DCMS)	England	435,000	-
		6,718,163	6 313,995
Historic Scotland	Scotland	4 084 454	3,516 969
Cadw Welsh Historic Monuments	Wales	447 000	405 000
<i>Not geographically restricted</i>			
UK Government	UK wide	364,344	373,837
		11,613,961	10,609,801

Endowment funds restricted by source analysis of movement during the year	England £	Scotland £	Wales £	UK-wide £	Total £
Funds					
Balance at 1 April 2015	6,313,995	3,516 969	405,000	373,837	10,609,801
Funding contributions ^{Note 3}	435,000	567 485	231 000	-	1 233 485
Loan capital bad debt provisions	(30 832)	-	(1 89,000)	(71,159)	(290,991)
Loan interest losses and provisions	-	-	-	61,666	61,666
Balance at 31 March 2016	6,718,163	4,084,454	447 000	364,344	11,613,961

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

	Movement in resources			Balance at 31 March 2016 £
	Balance at 1 April 2015 £	Income £	Expenditure £	
18 / Funds (continued)				
Restricted fund				
Grants in support of core initiatives				
Historic England	-	198,000	198,000	-
Historic Environment Scotland	-	102,515	102,515	-
Cadw Welsh Historic Monuments	-	20,000	20,000	-
Dept of Environment Northern Ireland	-	12,500	12,500	-
	-	333,015	333,015	-
Grant in support of the regional support officers initiative				
Regional support officers	-	66,920	66,920	-
Grant in support of the SBPT Legacy Fund				
Strathclyde Building Preservation Trust	-	69,000	-	69,000
Grant in support of the Heritage Enterprise development initiative				
Historic England	50,000	-	-	50,000
Restricted fund totals	50,000	468,935	468,935	119,000

Grants in support of core initiatives fall into two categories: match-funding for the AHF's project-specific grant programmes (viability, appraisal, development), and general funding in support of these schemes and related aspects of the AHF's core aims and objectives.

The regional support officer initiative, which was introduced in 2012, is to assist local communities who are 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. Historic England has committed to part-fund 4 support officer posts in England through to 31 March 2019.

Launched in March 2015, the Heritage Enterprise development initiative will target Building Preservation Trusts (BPTs) and other not-for-profit (NFP) organisations seeking to develop Heritage Enterprise projects. Together with £450,000 endowment capital for lending, also donated by Historic England, grants available under the scheme will help to promote BPT/NFP-led partnerships with commercial/social enterprise operators to deliver small-scale exemplar projects for placing commercial/social end users in Buildings at Risk.

The SBPT Legacy Fund was created in November 2015 with an award of £69,000 from the Strathclyde Building Preservation Trust. It is restricted to grants for physical works in respect of Shawmuir Lodge, Pollok Park, Glasgow, such grants to be awarded to an OSCR registered organisation by 31st March 2017.

	2016 £	2015 £
19 / Reconciliation of Net Income to Net Cash Inflow from Operating Activities		
Net income for the year	930 725	45,410
Adjustments for		
Depreciation charges	14,938	17 595
Interest and rents from investments	(404 839)	(476,283)
Endowment funds	(1,233 485)	(691,969)
Loss on the disposal of fixed assets	37,847	-
(Increase)/decrease in debtors	2 475 583	140,376
Increase/(decrease) in creditors	(5 036)	(431,866)
Net cash provided by / (used in) operating activities	1,815,733	(1,396,737)

	2016 £	2015 £
20 / Analysis of cash and cash equivalents		
Cash in hand	7 398 105	4,829,244
Notice deposits (100 days)	507,791	504 869
Total cash and cash equivalents	7,905,896	5,334,113

Cash in hand includes an amount of £1 000 000 (2015 £1,000,000) which is available for lending as and when match funding is obtained

21 / Summary of current loan book

35 loan facilities have been disbursed, either partially or in full

Of these 83% attract a simple interest rate of between 5% and 8%

51% are due to be redeemed within 18 months, and 49% between 18 months – 5 years

71% of facilities are secured by a legal charge, 14% by a guarantee, 11% are unsecured, and the remainder is secured by alternative means

22% of borrowers are making regular interest and capital payments during the terms of the loan, 37% are making regular interest payments, and 41% will make no scheduled payments until the loan is redeemed

10 further loan offers, as yet undisbursed, have been made, all attract a simple interest rate of between 5% and 9%, all have a term between 12 months and 36 months

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22 / Transition to FRS 102

This is the first year that the charitable company has prepared its financial statements under the new SORP (FRS 102). The last financial statements prepared under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was 1 April 2014. No restatements were required of the amounts presented under previous UK GAAP for the group's net expenditure for the financial year ended 31 March 2015 nor for its total funds at 1 April 2014 and 31 March 2015.

The following adjustments have been made in order to comply with the new SORP (FRS 102) which have had no effect on total funds or on the statement of financial activities but which have affected the presentation of certain items within the financial statements. The main items were:

(i) Governance costs

Governance costs are no longer presented as a separate category of expenditure in the Statement of Financial Activities as they are now regarded as part of support costs which are allocated to the cost of activities undertaken by the charity.

(ii) Statement of cash flows

The adoption of FRS 102 has required presentation of a statement of cash flows into operating, investing and financing activities.

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AHF **Architectural Heritage Fund**

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100% of the profits from the sale of this book will be donated to the Architectural Heritage Fund.

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