

**AHF** | The Architectural  
Heritage Fund



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COMPANIES HOUSE

# 2016-17 Annual Report

Building a better  
future from our past



*A small body of determined spirits fired  
by an unquenchable faith in their mission  
can alter the course of history*

**Mahatma Gandhi**

# OVERVIEW

## About the AHF

*The Architectural Heritage Fund (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.*

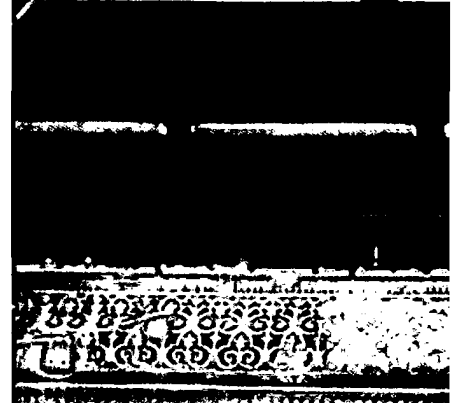
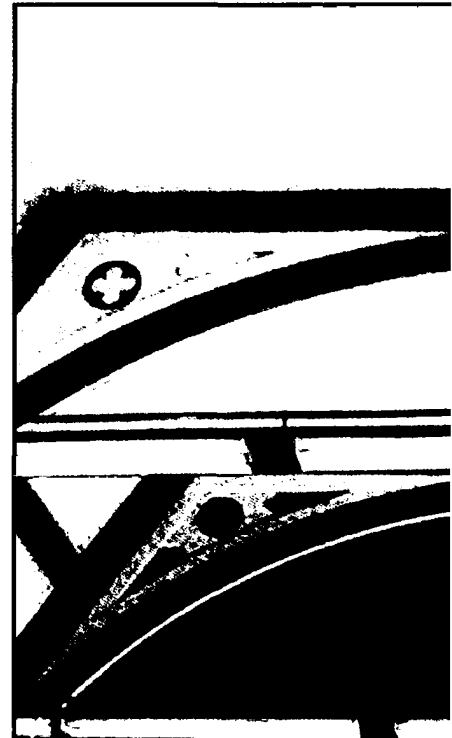
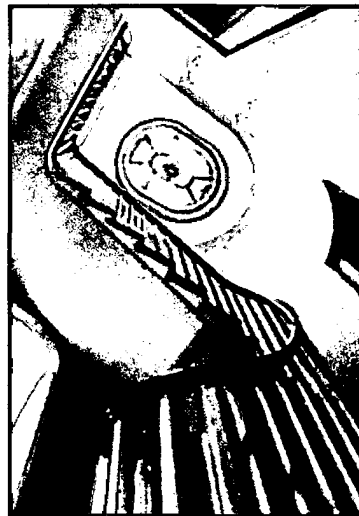
The Memorandum of Association defines the AHF's charitable objects as:

- 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:

○  
121 projects supported and/or funded by AHF during 2016/17



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 £127m to over 900 projects across the UK and has made more than 1,440 individual early project grant offers totalling over £11.5m.

Since 2000<sup>1</sup>

308 projects completed as a result of AHF investment of £4.1m of grants and £48.8m of loans, leveraging in over £436m from other sources, including £173m from the Lottery and £178m from trusts, foundations and commercial investment.

Client outcomes

The figures, right and on the next page, are extrapolated from the 143 completed surveys of AHF clients. A greater proportion of these were received this year from early-stage projects, as part of an Impact Review process now formally reviewed by the AHF's auditors.

Of which:

**69%**

were in progress

**9%**

did not proceed, or were stalled, and

**22%**

were completed

CLIENT OUTCOMES FOR OUR WORK IN 2016/17

**85%**  
of clients are confident that they would undertake a similar project in the future

**78%**  
of organisations have engaged with a wider audience than before as a result of their AHF-supported project

**3,000+**  
people, as a result of AHF support, have developed new skills in business planning, strategic development, financial or project management and fundraising

1. Data taken from the AHF's social impact survey 2016/17, full report available for download from [www.ahfund.org.uk](http://www.ahfund.org.uk)

OVERVIEW

About the AHF

COMMUNITY OUTCOMES FOR OUR WORK IN 2016/17

97%

of survey respondents felt that their community is a better place to live/work in as a result of the AHF-supported project

8,000+

community events have been held in the last year



14,000+

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



4,000+

volunteering opportunities have been created in the last year



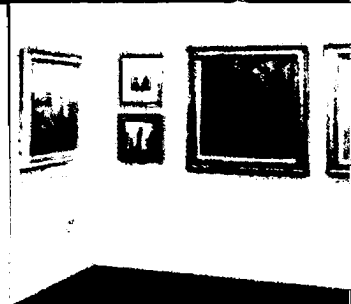
5,000+

days of time were given by the volunteers



38,000+

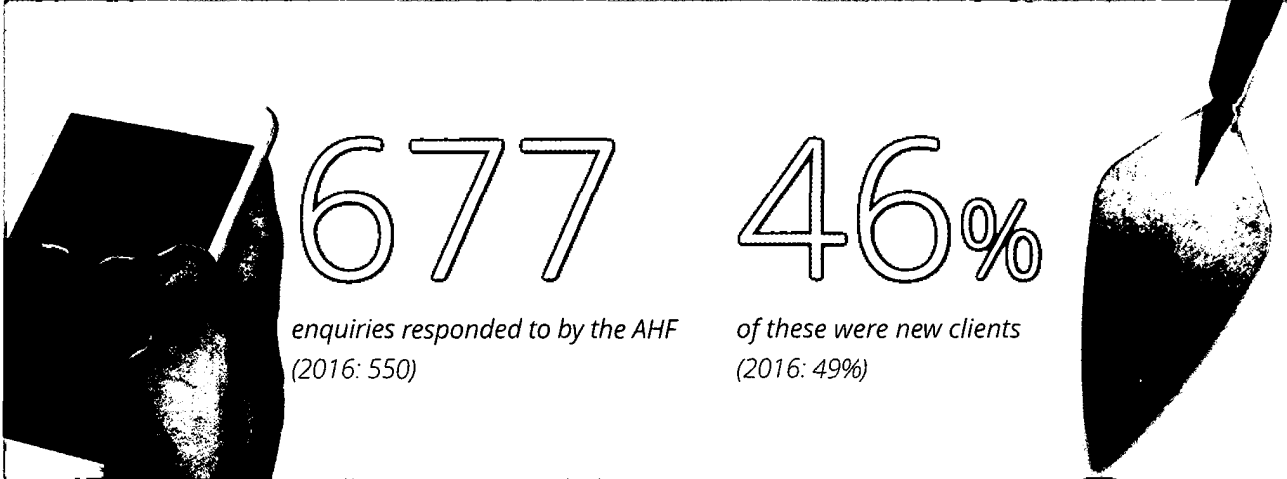
people have visited an AHF-supported project in the last 12 months for training and education purposes



OVERVIEW

The year in numbers

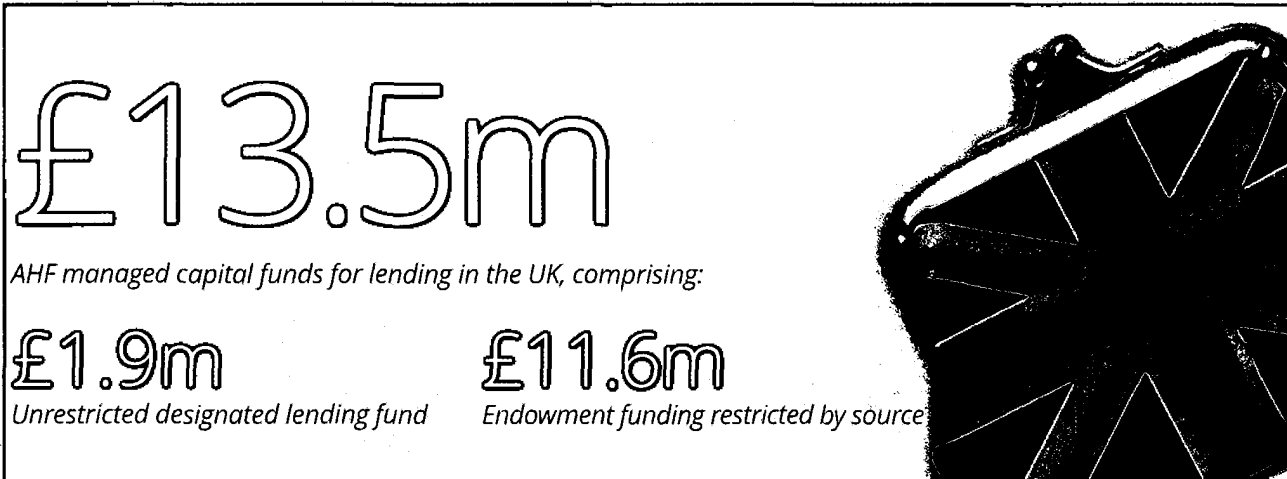
ADVICE



GRANTS



LOANS



## FROM THE CHAIRMAN

*Liz Peace CBE*  
Chairman

A lot has happened since I wrote my first Chairman's foreword for last year's innovative – and very well received – Annual Report. We are experiencing a degree of national and global instability, coupled with economic uncertainty, that will almost certainly result in a risk averse approach to public and private expenditure and that does not bode well for many of our cultural and historic institutions. But I believe strongly that there is a value to be placed on the role that buildings from our past can play in helping us to manage the future – however uncertain it may be. And finding and supporting a sustainable use for many of those heritage assets – using a mixture of public and private resources – is exactly what the Architectural Heritage Fund is all about.

We have over the past year made excellent progress in delivering on this broad objective. As a result of the generosity – or indeed one might say forward thinking – of our funders, we have been able to expand our small grants programme and our network of regionally-based support officers – now numbering twelve in total – to offer support to embryonic heritage projects across the United Kingdom. I am most grateful to Cadw, the Department for Digital, Culture, Media and Sport; Historic England, Historic Environment Scotland, the Northern Ireland Department for Communities, the Pilgrim Trust, and the Garfield Weston Foundation for their support.

On the lending front, we have been able to offer a flexible approach to benefit a wide array of projects. We will be continuing to explore with a number of potential funders how we might be able to create new endowment funds that will enable us to lend to more projects on a range of terms.

During the year we said goodbye to Phil Kirby who has been a trustee at AHF since 2011 and Rita Harkin who has taken up a new position as our support officer in Northern Ireland. We are deeply grateful to both for their contribution to the AHF. But we have been fortunate enough to recruit three new trustees – David Hunter, an experienced asset and fund manager from the real estate world, Sue Brown, a communications expert who is now director of planning and development at London First and Suzanne Snowden who specialises in brand communications, digital and content management.

Our biggest upheaval on the people front came with the departure of Ian Morrison. After two very hectic but fruitful years as our CEO, he has moved on to be Head of Planning at Historic England. Whilst we were very sad to lose his inspirational and energetic leadership we look forward to having an ongoing relationship with him as a key player in one of our most important funders and supporters. On behalf of the trustees I would like to extend a big thank you to Ian for all he achieved at the AHF and wish him every success in his new role.

I would also like to welcome Matthew McKeague, who will be joining us in October as our new CEO. We look forward to working with him to continue and expand the work of the last two years.

Finally, I would like to extend a personal thank you to all of my fellow trustees – retiring and continuing – who have each played a vital role over the last year in bringing the AHF to such a well-regarded position. I would also like to extend my sincerest thanks to the staff team who have responded magnificently to the not inconsiderable challenges of a turbulent but, at the end of the day, at least for us, highly successful year.

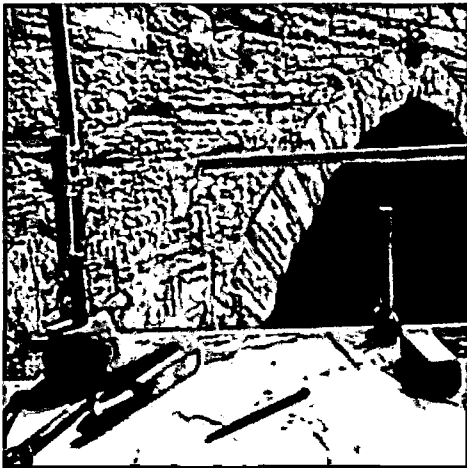


*I believe strongly that there is a value to be placed on the role that buildings from our past can play in helping us to manage the future – however uncertain it may be. And finding and supporting a sustainable use for many of those heritage assets – using a mixture of public and private resources – is exactly what the Architectural Heritage Fund is all about.*

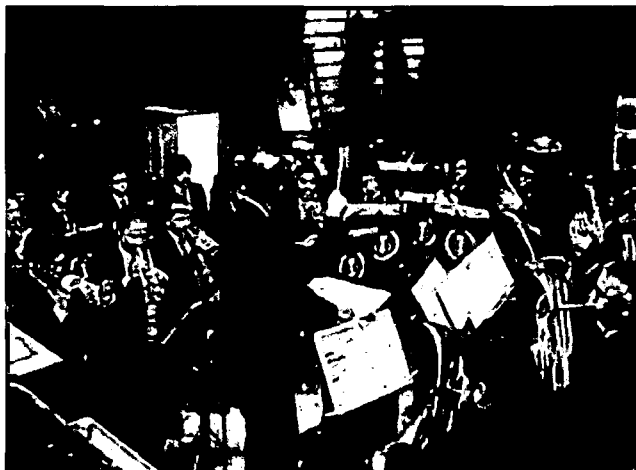
## TRUSTEES' REPORT

### Achievements: Progress against our strategy

In July 2016 the AHF published its strategy 2016-19, which, as well as setting out the AHF's mission, objectives and values, also identified six key priorities that were developed to guide our work over the next three years. The strategy is supported by annual operational plans that include specific measurable targets against which our progress is mapped and reported to the AHF Board – also known as the Council of Management – on a quarterly basis.



*Clockwise from above:*  
Old Toll House Stratford-upon-Avon, Warwickshire  
Trinity Centre, Bristol  
Sretford Public Hall, Sretford, Manchester  
The Assay Office, King Edward Mine Cornborne, Cornwall  
/ Photography © Tamara Smith Photography



○  
Over 900  
historic buildings at risk have  
been helped by AHF funding



## TRUSTEES' REPORT

### Achievements: Progress against our strategy Priority One

Funding has been secured on a tapering basis over three years from Historic England to support a new Business Development Officer post, and we have set a target of 10% growth of the total value of our restricted lending funds for 17/18, with a further 20% required by 2018/19 to meet our strategic plan goal.

The Investment Team had a productive year during 16/17, offering over £2.4m in new loans and extensions to existing facilities. We are seeking to increase this figure in 2017/18.

### Summary of current loan book (drawn balances):

England £4,759,320;  
Scotland £1,855,033;  
Wales £511,667;  
Northern Ireland £536,634;  
Total drawn £7,662,654

## 33

loan facilities have been disbursed, either partially or in full

## 85%

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

## 45%

are due to be redeemed within 18 months, and 55% between 18 months – 5 years

## 82%

of facilities are secured by a legal charge, 6% by a guarantee, 9% are unsecured, and the remainder is secured by alternative means

## 19%

of borrowers are making regular interest and capital payments during the terms of the loan, 39% are making regular interest payments, and 42% will make no scheduled payments until the loan is redeemed

## 14

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 15 years



● Over £2.4m was offered in new loans and extensions during 2016/17

## TRUSTEES' REPORT

### Achievements: Progress against our strategy Priority Two

#### Introducing new grant and loan programmes

#### Grants

It is essential that we run and deliver our grant and loan programmes effectively and in accordance with our strategic objectives.

We have reviewed our current portfolio of grant programmes, policies, criteria and application materials and have consulted with funders and clients. New grant programmes and associated materials were launched in May 2016. We will continue to review our policies and criteria and implement further changes in response to feedback from our clients.

The AHF offers two grant programmes, which are financed by grant-aid from the Department for Culture, Media and Sport, Historic England, Historic Environment Scotland, the Northern Ireland Department for Communities, Cadw, The Garfield Weston Foundation and The Pilgrim Trust and from interest income derived from AHF's 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.

● Received 158 grant applications, up by nearly 60% during 2016/17

#### Project development grants

The project development grant (PDG) is intended to assist applicants with the costs of developing and co-ordinating a building restoration 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 158 grant applications in 2016/17 (2015/16: 97), requesting a total of £1.6m (2015/16: £974,167). Demand continued to rise throughout the year as news spread about our increased funds, with the result that we were able to support three-quarters of the applications we received. In a few instances 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.

### 120

grant offers were made (2015/16: 64), amounting to £1,190,021 (2015/16: £375,033). Of this total, £175,200 was offered to projects in Scotland (2015/16: £210,200), £1,007,771 to projects in England (2015/16: £155,433), and £7,050 in Wales (2015/16: £6,400). No grant awards were made in Northern Ireland (2016: £3,000)

### 31%

grant offers were for buildings listed at the highest grades – Grade I & II\* in England and Wales; Category A in Scotland (2015/16: 36%)

### 30%

grant offers were for buildings on national 'at risk' registers (2015/16: 40%)

### 50%

out of the 120 grantees were organisations that had never previously applied for AHF funding (2015/16: 63%)

From top:  
Kirkmichael, Dingwall, Highland / Photography © Jim McKay  
Turner's House, Twickenham / Photography © Anne Purkiss



## TRUSTEES' REPORT

### Achievements: Progress against our strategy Priority Two

#### Loans

A review of our loan book, together with a survey of our borrowers, has indicated a clear need to introduce greater flexibility in the loan products on offer to ensure we offer the appropriate form of affordable finance to our clients. There is a demonstrable need for considerably longer terms of loans as many of our borrowers now intend to settle their debt through trading profits rather than from the proceeds of sale or a re-financing package. Therefore, the AHF will revise its loan products during 2017 and introduce new longer-term loan facilities at the earliest available opportunity.

During the year we also undertook a comprehensive review of our loan policies to ensure we were providing the type of investment product that our borrowers required. The review, carried out with the full involvement of the AHF's Audit & Risk Committee and Board, led to the introduction of two new loan programmes: The Heritage Mortgage and the Community Heritage Support Fund<sup>2</sup>.

#### The Heritage Mortgage

Responding to the needs of both our existing and prospective borrowers, as of 2017 the AHF is now able to offer bespoke mortgage-style loan facilities. Longer-term social investment is difficult to find, but The Heritage Mortgage programme allows borrowers to plan ahead across a number of years and at an earlier stage than is usual, potentially reducing the annual costs by stretching the payments over a longer period. The Heritage Mortgage is available either pre- or post-completion of a capital project, and individual investments of between £150,000 and £500,000 can be applied for, repayable over a typical term of 10 – 20 years (30-year terms can be agreed by exception).

#### Community Heritage Support Fund

As the primary Social Investor in the Heritage Sector, the AHF launched the Community Heritage Support Fund in November 2016 to support the activities and sustainability of community and social businesses which are working with or within buildings of heritage significance. It is intended to enable community businesses to focus on both the short-term funded activity needed to ramp up its income generation, reduce overheads, or support its cashflow, while also providing longer-term capital by way of community shares. Generally, the Support Fund will be made available to enterprises which already trade, or those seeking funding to help secure the purchase or restoration of a building which is listed as an Asset of Community Value, to enable organisations to become established, deliver, survive and then thrive. The Community Heritage Support Fund can provide either standalone unsecured loan finance (of between £15,000 and £50,000 per project), or a blend of both loan finance and community shares (with a maximum share purchase of 20% of the total investment). Loans are repayable over terms of between six months and three years, and security is not generally required although Personal Guarantees might be requested on occasions.

In addition to these two new loan products, the AHF has also been exploring ways to counteract the supply versus demand problem for AHF loans by developing a third additional loan product – the Heritage Impact Fund. This Fund is essential to the successful delivery of our mission and will provide momentum and direction and enable the achievement of our objectives and the outcomes of our three-year strategy.



**Clockwise from top left:**

Riddle's Court, Edinburgh  
Trinity Centre, Bristol / Photography © Jessica Bartolini Photography  
Old Toll House Stratford-upon-Avon, Warwickshire  
Wentworth Woodhouse, Rotherham, South Yorkshire  
The Ivy House, Nunhead, South London

<sup>2</sup> Details of all the AHF's loan products, including terms and eligibility criteria are published on our website: <http://ahfund.org.uk/investment/>

## TRUSTEES' REPORT

### Achievements: Progress against our strategy Priority Three

#### *Strengthening the delivery of our community support services*

As well as grants and investment, the AHF offers an early project advice support service to communities that wish to take forward projects that have the potential to deliver substantial cultural, social and economic benefits. We are often 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).

With generous support from our funders, we have significantly expanded our community support service by providing more support officers in England and Scotland and introducing for the first time locally-based officers in Wales and Northern Ireland as a result of additional funds from The Garfield Weston Foundation, The Pilgrim Trust, Cadw, the Department for Culture, Media and Sport and the Northern Ireland Department for Communities. The AHF currently has eleven Support Officers operating in the UK, up from five a year ago, and they deliver a valuable service providing community organisations with early project advice and support.

#### Advice

Over the last year we responded to more than 670 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 677 enquiries responded to, 314 were from community organisations which had not had any contact with the AHF before. This follows the trend observed from last year and is an encouraging sign and continued 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.



Over 670 enquiries from community organisations were responded to

## TRUSTEES' REPORT

Achievements: Progress against our strategy  
Priority Three

### Regional/country distribution

The distribution of enquiries from across the UK illustrates the impact of the AHFs Support Officers, of which we currently have eight operating in England and one in Scotland. 81% of enquiries were from England (2015/16: 80%) and 16% from Scotland (2015/16: 17%), whereas only 3% are from Wales and Northern Ireland (2015/16: 3%). We expect these latter numbers to increase with the new appointments of both a Wales and a Northern Ireland-based Support Officers.

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 buildings 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 2017, 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 are building on this success following the recruitment of additional Support Officers with specific skills in business planning, social investment, public relations and marketing and community engagement.



● Over 80% of enquiries were for projects located in England

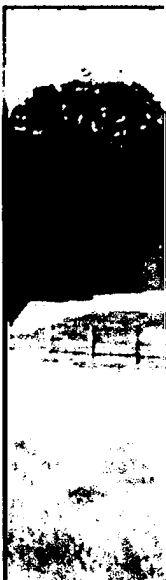
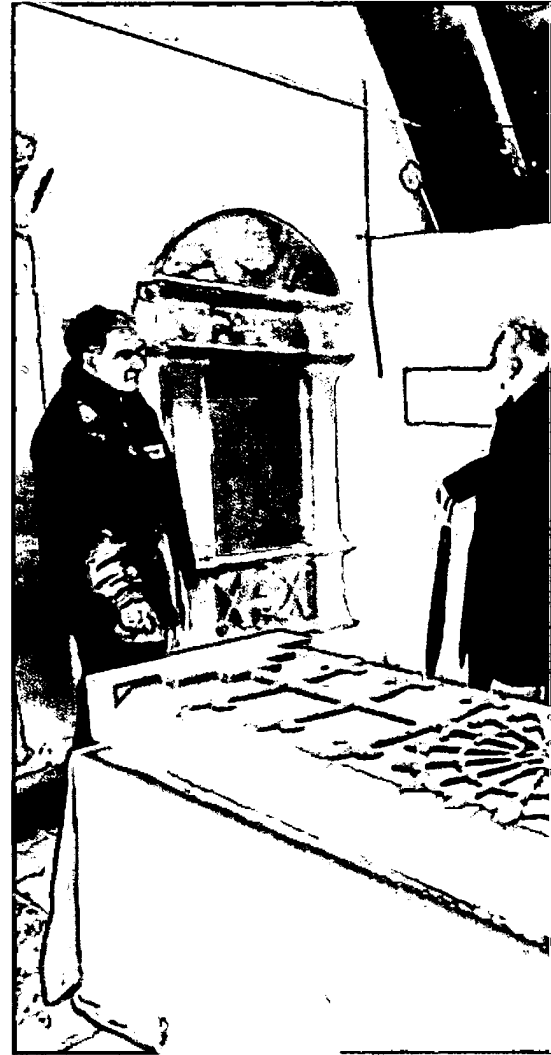
## TRUSTEES' REPORT

### Achievements: Progress against our strategy Priority Four

*Measuring and reporting on the impact of the projects we have supported*

In a competitive funding environment, it is increasingly important for the AHF and our clients to demonstrate our social impact. We introduced a theory of change model and a social impact measurement framework and in 2016 we started to collect data routinely and report on the difference we have achieved as a result of AHF's activities, culminating with our first impact report published in the 2016 Annual Report.

We have continued to collect further data on the beneficial outcomes achieved by the projects we have supported, and we are pleased to publish our second impact report in this Annual Report.



Over 308  
projects completed as a result  
of AHF support since 2000

## TRUSTEES' REPORT

### Achievements: Progress against our strategy Priority Five

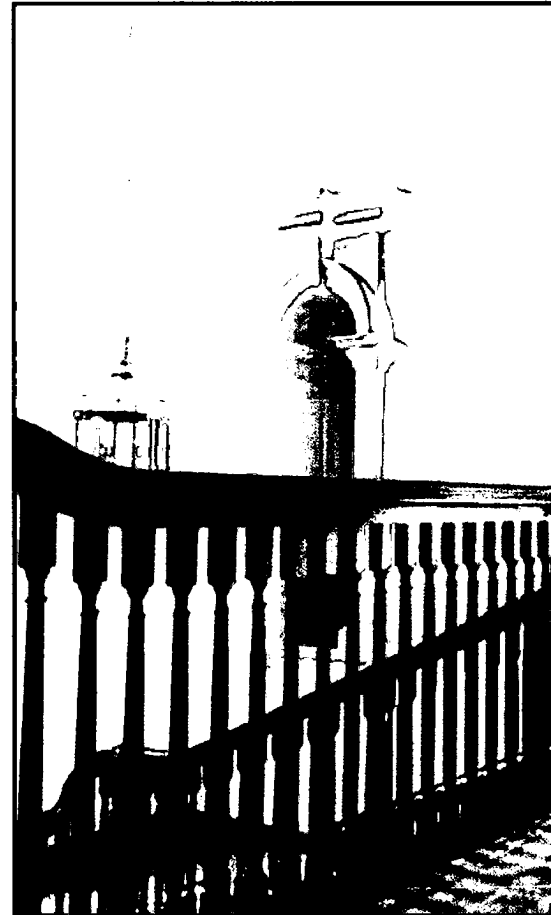
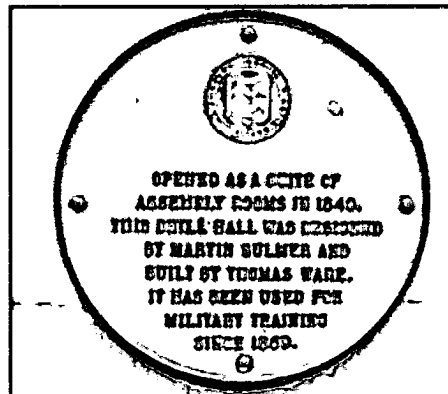
#### *Strengthening our governance*

The AHF is committed to the highest standards of good governance to ensure the efficient and effective operation of the organisation and which reflect the Charity Commission's Good Governance Code. We ensure our financial controls meet FCA standards and fully comply with Responsible Finance's Code of Conduct.

We are a responsible employer, and a staff handbook has been introduced that sets out the terms of employment, the expected standards of service, and a performance appraisal process that links through to the organisation's strategy and business plan. We value our staff as our most important, key asset and work collaboratively with respect, recognition of diversity and contributions from all. We continue to invest in staff learning and development as a key feature of our commitment to teams and the value we place on professional development.

In 2017-18 we will continue to invest in professional and vocational training for staff. In addition, we will continue to provide tailored, specific learning opportunities for staff throughout the year and across multiple locations to enhance their skills, competence and experience. In 2017-18 we expect to commit to spending £6,000 on learning and development, representing £750 per head.

○  
£750 per head  
on staff learning and  
development in 2017/18



## TRUSTEES' REPORT

### Achievements: Progress against our strategy Priority Six

*Working with key partners to build the capacity of community heritage organisations*

We wish to enthuse a new generation of young professionals (architects, engineers, surveyors, project managers) to get involved with community heritage projects and use their creativity, skills and energy to deliver truly enterprising solutions.

Taking inspiration from such projects as the Assemble Collective's regeneration of Granby Four Streets in Toxteth (winner of the 2016 Turner Prize), Studio Weave's work at Rainham Hall and Platform 5 Architects recent work on the design options for a new Special Exhibitions Gallery in MOSI's historic Grade I listed 1830 warehouse building, the AHF has been talking to RIBA and others about ways in which more young professional architects can be encouraged to work closely with communities across the country and utilise their creative energy to find new enterprising solutions for historic buildings, particularly those that are transferred from public ownership. We particularly want to find a way to harness the creativity and enthusiasm of young architects to re-incentivise Building Preservation Trusts that have been inactive in recent years and get them to re-engage with community projects in their area.

The AHF's early project grant scheme is an invaluable source of finance available to young architects for the development of project ideas and design briefs for community-led projects. To be truly successful, these architects will often require specialist knowledge of historic building conservation and public engagement, skills that are seldom taught in architecture schools (as noted by the Farrell Review). There are many courses available to young architects, but the cost for a young professional/recent graduate can often be prohibitive and as a result course attendees tend to come mainly from large, long-established architectural practices/organisations rather than the smaller, more recently founded collectives referred to above.

We have also been speaking to the Baroness Warsi Foundation and RIBA to look at ways in which we can encourage more people from diverse and disadvantaged backgrounds to think about a career in architectural conservation. A recent report by the Construction Industry Council (*A Blueprint for Change*, 2016) estimated that only 14% of the construction workforce in the UK is female and less than 12% are Black, Asian and Minority Ethnic (BAME). Yet, data from RIBA's Education Statistics Report 2014/15 suggests that in architecture at least, greater diversity is being achieved. According to the 2014/15 data, new entrants (3,748 students) to RIBA Validated Part 1 courses comprised 46% women and 32% from non-white groups, and new entrants (2,058 students) to RIBA Validated Part 2 courses comprised 43% women and 21% non-white. This represents an astonishing shift towards greater diversity in the architectural profession in recent years, a very encouraging development that is essential if the UK's diverse communities are to be properly represented by those that influence the design, appearance and function of the places where they live.





TRUSTEES' REPORT

Achievements: Progress against our strategy  
Priority Six

In addition to our work on the bursary scheme, the AHF has continued to collaborate with the rejuvenated Heritage Trust Network (formerly the UK Association of Preservation Trusts) to explore ways in which Building Preservation Trusts (BPTs) can be encouraged and supported to fulfil a vital need to help communities take ownership, repair and adapt the heritage assets they value. We sponsored the Heritage Trust Network's annual conference, and we continue to contribute to regional and country events. We were also delighted to part-fund the development of an on-line toolkit which will provide a one-stop shop of resources for trusts and the communities they support.

The AHF is concerned by the increasing number in recent years of inactive BPTs and we wish to work with the sector to help re-energise these trusts, or help find ways of distributing their funds to active projects. We feel this is particularly important at a time when communities keenly require support to rescue and repair historic buildings and the competition for funds grows ever stronger.

Access to funds for capital projects continues to be a concern, and we are particularly keen to promote the availability of grant funding and to stimulate greater social investment in heritage projects. We are working with the Heritage Alliance to launch a combined web-based funding resource of available grants and social investment opportunities, to replace Funds for Historic Buildings and the Funding Directory.



*Clockwise from top:*  
Trinity Centre, Bristol  
Old Toll House Stratford-upon-Avon, Warwickshire  
Stretford Public Hall, Stretford, Manchester

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. We want to build on our past successes, which over the last 15 years has 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

# BAWDSEY RADAR STATION

Suffolk | England

Bawdsey Radar Trust | [www.bawdseyradar.org.uk](http://www.bawdseyradar.org.uk)

**Status**  
 Grade II\*  
**At Risk Register?**  
 Yes: Historic England Heritage at Risk Register  
 – Priority D

**AHF Funding:**  
 2008: OAG: £4,400  
 2016: PDG: £5,000  
 2016: Loan: £100,000

Built in 1937, the Radar Station at Bawdsey Manor was the world's first operational radar station. The Transmitter and Receiver Blocks were the prototypes for the Chain Home Defence System which was developed just before the Second World War and is credited with helping the Royal Air Force win the Battle of Britain. Bawdsey remained in the control of the Ministry of Defence until 1992, after which it was boarded up. In 2003 the Bawdsey Radar Group opened the site to the public for one weekend. This sparked tremendous local interest and began the road to the Transmitter's regeneration, as featured in 2004 on BBC2's television series 'Restoration'. The Bawdsey Radar Group has been instrumental in raising awareness and securing funding for the development of this site. The project has been run entirely by volunteers, demonstrating the significance of Bawdsey Radar to the local community.

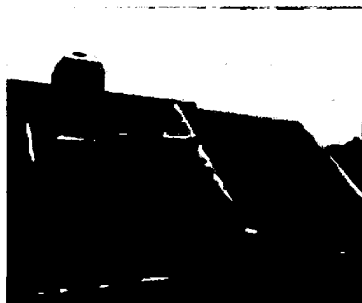
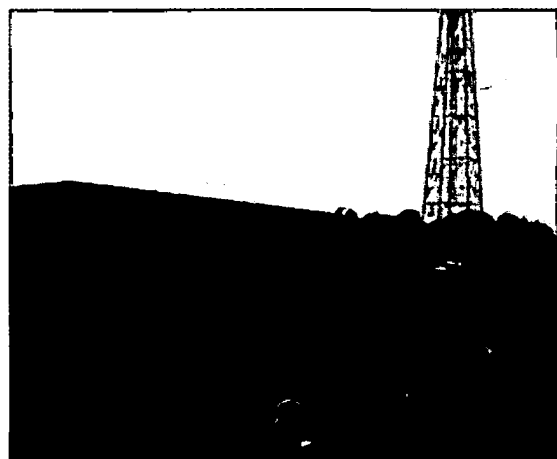
Architectural Heritage Fund grants enabled the Trust to assess the project's viability and employ an architect to produce design and engineering specifications. An AHF loan was provided to help with the project's cash flow in between payments from major grant funders. Over £1.8m in funding was secured, including from Historic England and a major grant of over £1.4m from the Heritage Lottery Fund. This has enabled the Trust to transform the Transmitter into a visitor attraction, providing exhibition space and educational resources with RADAR at its centre. It is estimated that around 13,000 annual visitors will engage with the educational and heritage aspects of the project upon completion. Bawdsey Radar Station is due to open to the public in September 2017.

### PROFESSIONAL TEAM

Project Management:  
**The Cultural Engine**  
 Exhibition Design:  
**PLB**  
 Architect / Lead Consultant:  
**Freeland Rees Roberts Architects**  
 Mechanical & Electrical Engineers:  
**Roger Parker Associates**  
 Quantity Surveyor:  
**Appleyard & Trew**  
 Structural Engineer:  
**The Morton Partnership**  
 Solicitor:  
**Ashton KCJ**

OTHER PROJECT FUNDERS	£
Heritage Lottery Fund	1,424,000
Historic England	196,320
Coastal Revival Fund	20,000
Bawdsey Parish Council	100
Suffolk Coastal District Council	18,000
Lord Belstead Charitable Trust	500
Public Donations	8,100
In Kind Work	25,000
Volunteer time	88,950
Bawdsey Reserves	5,000
Cultural Engine	5,000
Garfield Weston Foundation	45,000

**Total 1,835,970**



# THE TRINITY CENTRE

Bristol | England  
 Trinity Community Arts Ltd | www.3ca.org.uk

**Status**  
 Grade II\*  
 At Risk Register?  
 Historic England at Risk Register (removed)

**AHF Funding:**  
 2016: PDG: £5,000

The Trinity Centre is a Grade II\* listed Georgian church which was deconsecrated in 1976. Built in 1829-1832 in the Gothic Revival style it is a Waterloo Church and is considered to be one of the finest examples of the work of Thomas Rickman and Henry Hutchinson. The building was brought back into use by Trinity Community Arts in 2004, but the building had already played host to a number of landmark music events during the 80s and 90s and was a key facility utilised by the African-Caribbean Community between 1976-1984.

While the building supported a wide-range of vibrant uses (in 2015 it was used by over 50,000 people attending 250 events and activities), the fabric itself was in need of repair and upgrading.

The Architectural Heritage Fund's Project Development Grant formed part of the package of development works to cover detailed investigation of the fabric of the building, including consultations with a structural engineer, quantity surveyor and a stained glass specialist. These steps were a crucial component of the final stage of this £3m refurbishment project which has restored the architectural heritage of the building and is now the home of a vibrant community enterprise promoting social harmony through engagement in education and the arts.

PROFESSIONAL TEAM	
Architect:	Ferguson Mann Architects

OTHER PROJECT FUNDERS	£
<i>Development phase 2015-2017</i>	
Heritage Lottery Fund	69,900
Quartet Community Foundation	3,000
Neighbourhood Partnership	3,000
Other	400

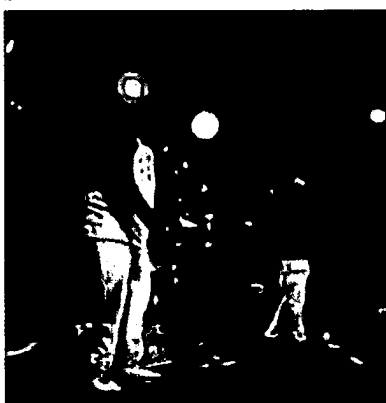
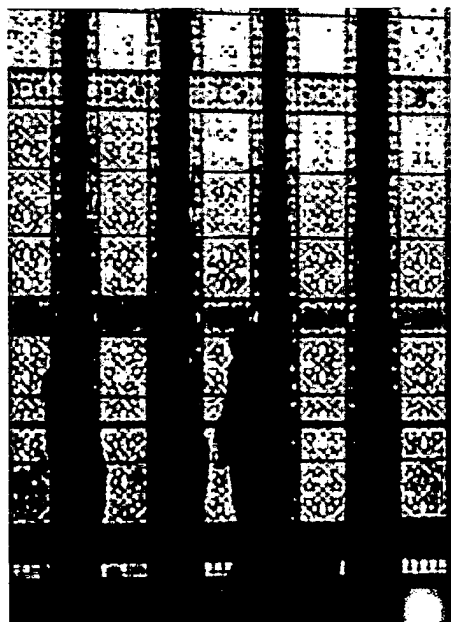
<b>Total investment</b>	<b>81,300</b>
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*Delivery phase 2017-2018 (grants confirmed)*

Heritage Lottery Fund	362,800
Historic England	106, 099
Bristol City Council: (+£2,500 contributed as a CTP payment to CETB, below)	32,500
Garfield Weston Foundation	30,000
Cory Environmental Trust Britain (CETB)	25,000
Pilgrim Trust	20,000
Nisbet Trust	20,000
Individual donations, crowd funding & online auction	7,049
Swire Charitable Trust	5,000
Sylvia Waddilove Foundation	3,750
Bristol Ageing Better	1,977
Bramble Trust	1,000
Gibbs Trust	1,000
Carlsberg donation pledge	1,000

<b>Total funding secured to date</b>	<b>617,175</b>
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Remaining target to be raised to commence delivery of capital works = **£141,027**





Catherine Parry-Wingfield  
Chairman, Turner's House Trust

*AHF funding allowed us to initiate the process of consultation with diverse groups, with the purpose of inspiring active engagement with heritage projects.*

# THE DUKE OF MARLBOROUGH

Suffolk | England  
Somersham Community Pub Ltd | [www.savetheduke.net](http://www.savetheduke.net)

Status  
Grade II  
At Risk Register?  
No

AHF Funding:  
2017: PDG: £5,000

The Duke of Marlborough is a vernacular Suffolk building dating from the 15th century. It is timber-framed with a pan-tiled roof and rough-cast walls and has a jettied upper storey to one wing. Adaptations were made during the 17th and 19th centuries. Having provided hospitality for some 600 years, it closed on Christmas Eve 2014, when the owners decided to retire. The local doctor, Sarah Caston set up a public meeting in response to its closure and a Community Benefit Society was founded to save the pub. Over £300,000 was raised by the Somersham Community Pub Ltd through shares and loans and the community's offer to purchase the building was accepted. The Architectural Heritage Fund offered a grant of £5,000, enabling the committee to engage a project manager and gain professional heritage advice. Opening four days a week, the Duke of Marlborough started off by being run with a team of 45 volunteers who were trained with the help of AHF's grant. The Duke of Marlborough is the second cooperatively-owned pub in Suffolk, and the 51st in the country.



Dr Sarah Caston  
Founder of the Save the Duke campaign

*We knew a lot of hard work would be involved in the Save the Duke campaign, but once we had bought it, it soon became obvious how much more of a challenge it would be. The AHF funding to take on a project manager was fantastic, and we're truly grateful for their hugely valuable heritage advice too.*

OTHER PROJECT FUNDERS	£
More than a Pub	95,000
Community Shares	256,000
SITR Loans	120,000
Local fundraising	8,000

<b>Total investment</b>	<b>479,000</b>
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Annoushka Deighton  
Chair of Friends of Stretford Public Hall

*Without our AHF grant we would not have been able to get all the professional support we needed to be able to refurbish our beautiful ballroom. It also enabled us to develop our business case so that we could raise over £255,000 in Community Shares.*



# OLD TOLL HOUSE

Stratford-upon-Avon, Warwickshire | England  
 Stratford Historic Buildings Trust | [www.stratfordhbt.co.uk/projects.html](http://www.stratfordhbt.co.uk/projects.html)

**Status**  
 Grade I  
**At Risk Register?**  
 Historic England Heritage at Risk - Priority D

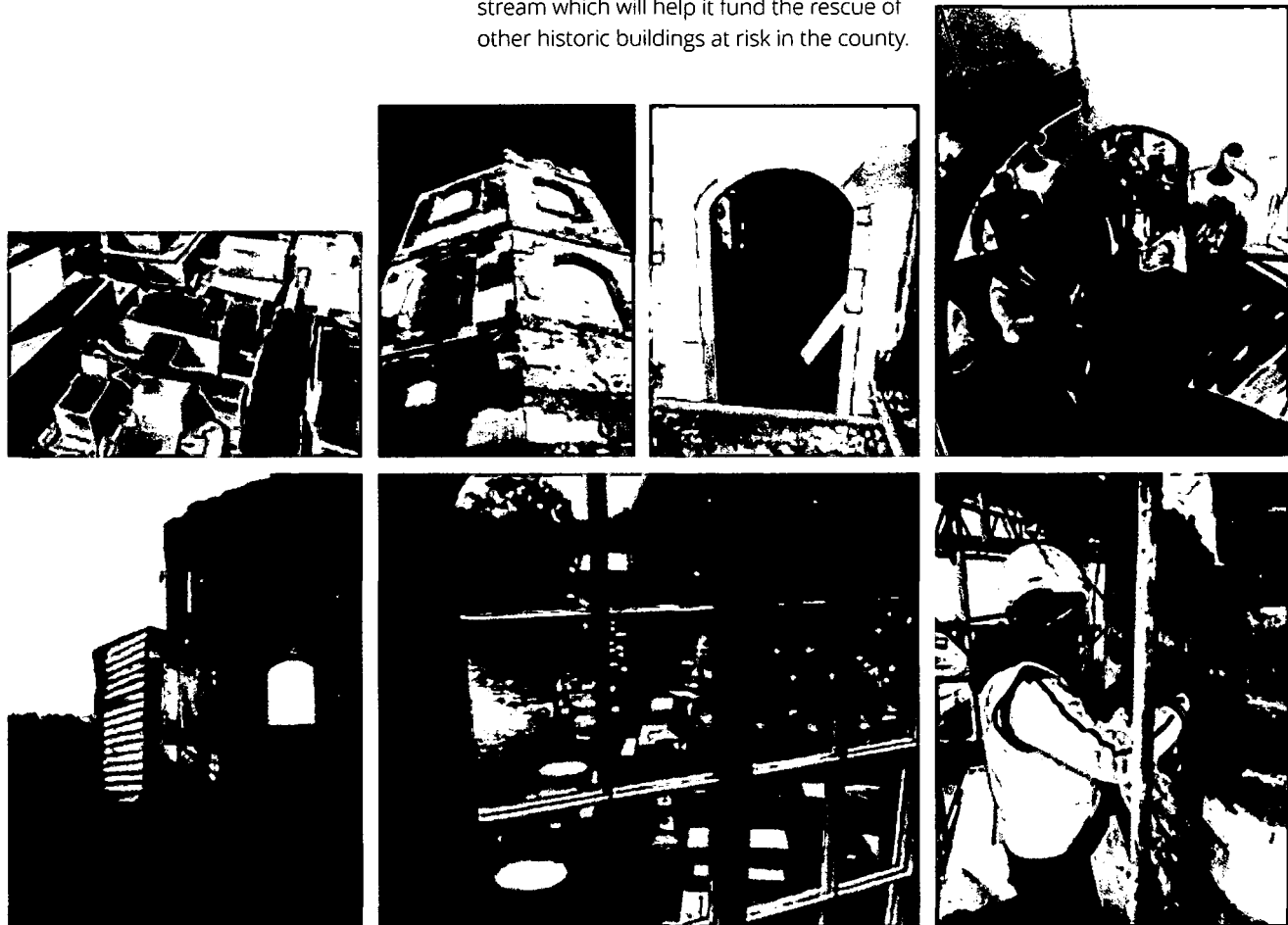
**AHF Funding:**  
 2013: OAG: £4,750  
 2014-15: PDG: £13,000  
 2016: Loan: £70,000

The 10-sided Toll House, constructed in 1814, is located at the northern end of the 15th century Clopton Bridge. It is an attractive Regency folly, constructed from a mixture of Arden and Warwick sandstone which is enlivened with attractive 'Gothick' windows and a crenellated parapet. Clopton Bridge is a Scheduled Monument and an important survival of a medieval bridge forming a significant landscape feature.

Stratford Historic Buildings Trust was established in 2012 as an offshoot of the Stratford Society, to find a solution for the Toll House. Between 2013 and 2015 the Architectural Heritage Fund provided early-stage development grant funding of £17,750 and in 2016 it provided the Trust with a working capital loan of £70,000 allowing work to continue in between payments from major funders. The Trust was keen to interpret the building and make it more legible for visitors and local people. The project therefore includes a free display area in the basement and the delivery of a range of activities to explore both the history of the Toll House and also the wider industrial heritage of Stratford. The project is now completed; the official opening was held in September 2017, and the Old Toll House will re-open as commercial office space. Bringing the Toll House back into use as office space will provide the Trust with a modest income stream which will help it fund the rescue of other historic buildings at risk in the county.

PROFESSIONAL TEAM	
Architect:	Mark Evans, Bromsgrove
Quantity Surveyor:	Bridgewater & Coulton Ltd
Structural Engineer:	Frank W Haywood & Associates
M&E Engineer:	Greenways

OTHER PROJECT FUNDERS	£
HLF	242,900
Historic England	197,500
Stratford District Council	30,000
Pilgrim Trust	15,000
Other trusts and charities	26,500
<b>Total investment</b>	<b>511,900</b>







# WEAVERS' COTTAGES

Kidderminster, Worcestershire | England  
 Worcestershire Building Preservation Trust | [www.weaverscottages.info](http://www.weaverscottages.info)

Status  
 Grade II  
 At Risk Register?  
 Wyre Forest District Council Register

AHF Funding:  
 2011-15: PDG: £5,200  
 2012-15: CSG: £9,875  
 2015: Loan: £308,500

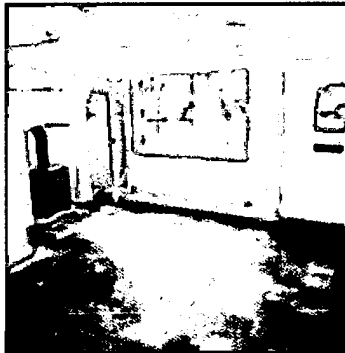
2015: CSG: £3,065  
 2015: PDG: £10,000

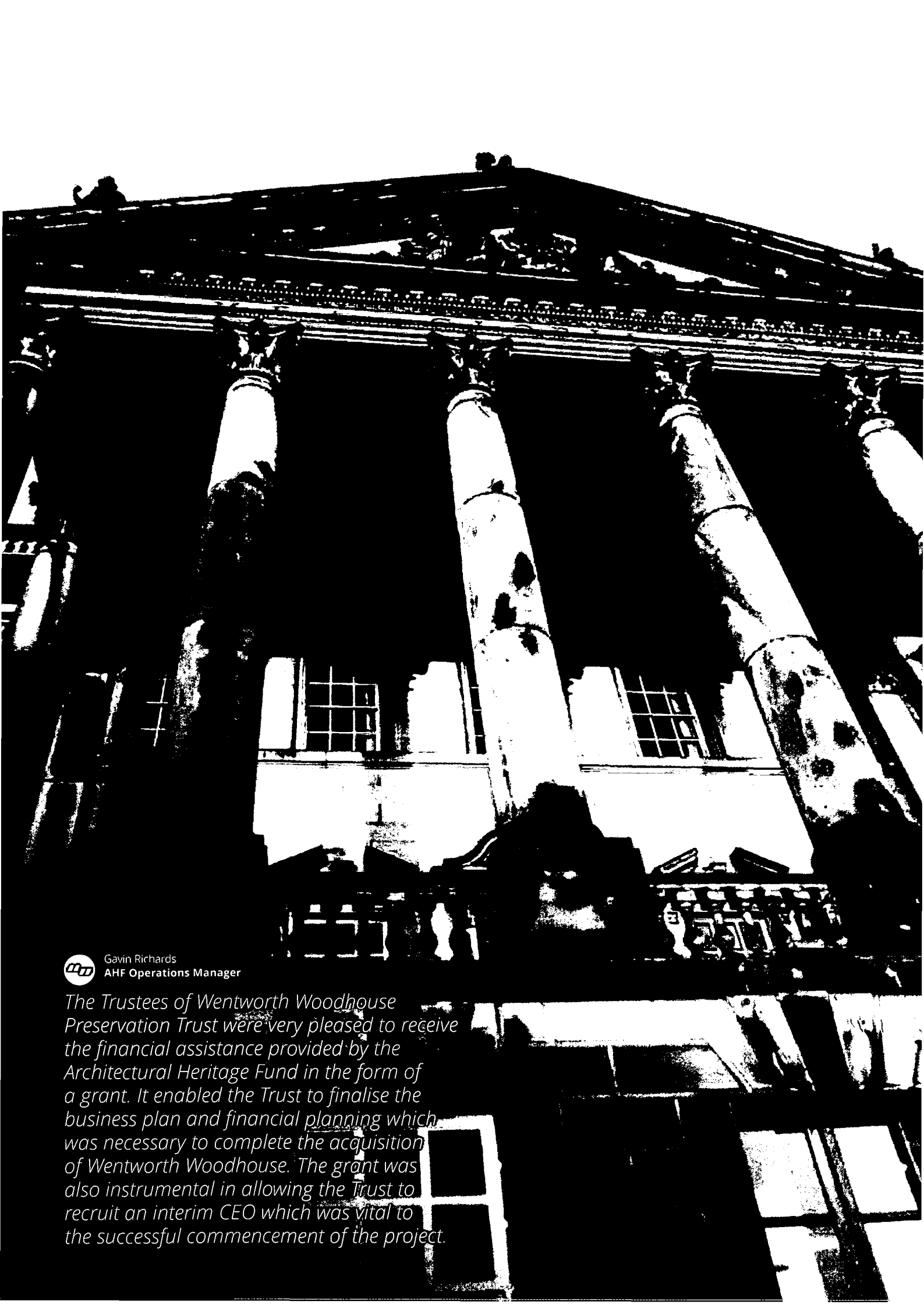
The cottages, at 20-22 Horsefair, are Grade II listed and are important historical examples of weaver's cottages associated with the weaving industry in Kidderminster. It is very likely that 22 Horsefair, built some time before 1753, was originally designed as a dwelling with a handloom workshop above. The other two cottages were built slightly later without the distinctive high loft workshop, but they were certainly homes built for artisans, with trades ranging from confectionery to shoemaking.

Prior to the Worcestershire Building Preservation Trust's (WBPT) intervention the buildings had been unused and derelict. The cottages were purchased by the WBPT with the view to converting them for sale as residential properties. The Architectural Heritage Fund has been involved in the project since its inception, providing funding in the form of Project Development Grants and a Cold Spots Grant in the initial stages, as well as a substantial loan in 2015 to cover the working capital of the conservation work, to be repaid via sales proceeds. This project was unique as the HLF offered a grant to cover the conservation deficit for a revolving-fund project involving a sale as residential accommodation. In addition to saving these buildings from deterioration, the conservation project provided the opportunity for a varied educational and events programme. The refurbished cottages were put up for sale in May 2017.

PROFESSIONAL TEAM	
Building Contractors:	Croft Building and Conservation
Architects:	Rodney Melville and Partners
Project Coordinator(s):	DTS Solutions
Structural Engineer:	Hancock Wheeldon + Ascough
Quantity Surveyor:	Austin Newport

OTHER PROJECT FUNDERS		£
HLF		730,000
Pilgrim Trust		20,000
Garfield Weston Foundation		10,000
D'Oyly Carte Charitable Foundation		3,000
<b>Total investment</b>		<b>763,000</b>





Gavin Richards  
AHF Operations Manager

*The Trustees of Wentworth Woodhouse Preservation Trust were very pleased to receive the financial assistance provided by the Architectural Heritage Fund in the form of a grant. It enabled the Trust to finalise the business plan and financial planning which was necessary to complete the acquisition of Wentworth Woodhouse. The grant was also instrumental in allowing the Trust to recruit an interim CEO which was vital to the successful commencement of the project.*

# WESTBROOK HOUSE

Alton, Hampshire | England  
 Alton Building Preservation Trust

Status  
 Grade II\*  
 At Risk Register?  
 No

AHF Funding:  
 2014: OAG: £3,000

Westbrook House is a significant and substantial local building on Alton's High Street. Originally a house, it was for many years the Town Council offices. The central portion of the building was constructed in the early 18th century, on three storeys and five bays wide, built in brick with a slate roof. A 20th-century wing was added on the north side, and once housed Alton Fire Station. A southern wing was converted to residential use at an earlier date and sold off separately. The property is mentioned in Pevsner as being 'the finest Georgian House in the town', having a 'particularly distinguished' interior.

Funding provided by the Architectural Heritage Fund in the form of an Options Appraisal Grant enabled Alton Building Preservation Trust to investigate the feasibility of a domestic conversion of the building. The Options Appraisal was carried out by the Radley House Partnership, Winchester. In the event, Alton BPT were unable to raise the funds to purchase the building but having revised the design and obtained a fresh Planning and Listed Building Consent they were able to interest a local builder/developer to carry out the conversion in accordance with their scheme, thereby preserving the integrity of the panelled interiors.

**PROFESSIONAL TEAM**

Architects:  
**Radley House Partnership**  
*(Options Appraisal)*  
**Hurrell Architecture, Alton**  
*(Executive Architects)*  
 Valuation Surveyor:  
**Richard Bendall, Keats,**

**OTHER PROJECT FUNDERS**

Self-funding





*The support of the Architectural Heritage Fund, both through the Project Development Grant and significant loan provision, has been central to enabling the Dunoon Burgh Hall Trust to successfully complete this major refurbishment project. We are delighted to have been able to rescue and restore this important civic building and to give it a new lease of life as a creative hub for our community and its many visitors. Our revitalised building will provide a space where new initiatives can develop which help to bring our community together, support social enterprise and tackle a range of social issues, including loneliness and isolation.*



## RIDDLE'S COURT, EDINBURGH

Edinburgh | Scotland

Scottish Historic Buildings Trust | [www.shbt.org.uk](http://www.shbt.org.uk)

### Status

Listed Category A

At Risk Register?

Buildings at Risk Register for Scotland

### AHF Funding:

2010: OAG: £12,500

2011-12: PDG: £25,000

2013: Loan: £500,000

Riddle's Court is situated in a prominent position at the head of the Royal Mile, close to Edinburgh Castle. The buildings are the remains of two L-plan houses built c.1590 by Baillie John McMorran and are considered to be of outstanding architectural value. It has a varied history, associated with many aristocratic, influential and creative people. The buildings have been used as a venue for a banquet for King James VI, a merchant's house, aristocratic apartments, overcrowded tenements, a mechanics subscription library, a university hall of residence developed by Patrick Geddes, emergency post-war housing, a community learning centre, and an Edinburgh Fringe Festival venue. The aim of the Scottish Historic Buildings Trust is to create The Patrick Geddes Centre for Learning and Conservation which will include an extensive learning and conservation programme based on the educational ethos evolved from Geddes: *Vivendo Discimus* – 'By Living We Learn'. The building had been in a deteriorating condition for many years. It was vacated by the council in 2005 and the external fabric was in poor condition with total repair and build costs of £5.8m.

The Architectural Heritage Fund provided the Scottish Historic Buildings Trust with an Options Appraisal Grant of £12,500 and a Project Development Grant of £25,000. An AHF loan of £500,000 was offered in 2013 to cover the working capital costs of the projects in between payments from its major funders. The complex nature of the site and its legal complexities have made this a challenging project and credit must be given to the Scottish Historic Buildings Trust for their continued perseverance in working to overcome these obstacles, culminating in a Royal opening in September 2017.

### PROFESSIONAL TEAM

Architect:

LDN Architects

Quantity Surveyor:

Morham and Brochie

Structural Engineer:

Elliot and Co.

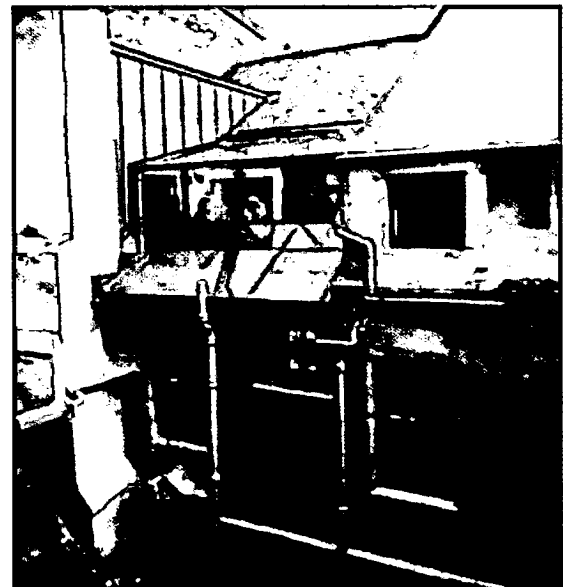
Valuation Surveyor:

DVS Edinburgh, Norman Clark

### OTHER PROJECT FUNDERS

OTHER PROJECT FUNDERS	£
HLF	3,730,000
Historic Scotland Grant	726,328
Monument Trust	500,000
Other trusts	322,472
City of Edinburgh Council	249,000
Historic Scotland Loan	70,480
National Library of Scotland	52,000
Other sources	133,760

<b>Total investment</b>	<b>5,784,040</b>
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*It's hard to believe the rollercoaster that we've been on with this project, from the optimism of that first community consultation on a warm summer evening in July 2009, to the nadir of rejection by the Big Lottery and the fears that the roof might at any time collapse. Thanks to the intervention of the AHF, which enabled us to re-group and go down the HLF funding route, here we are eight years later, with the Merkinch Welfare Hall restored, tenants in occupation and the doors open to the community once again. Wonderful!*

# KIRKMICHAEL

Dingwall, Highland | Scotland  
 The Kirkmichael Trust | [www.kirkmichael.info](http://www.kirkmichael.info)

**Status**  
 Listed Category B and a Scheduled Monument  
**At Risk Register?**  
 No

**AHF Funding:**  
 2014: PDG: £14,829  
 2015: Loan: £70,000 offered

The project was initiated by community concern over the steady deterioration in the church at Kirkmichael in the Black Isle. The earliest records of the parish at Kirkmichael date to the early 1400s and the chancel of the church was converted to a mausoleum in 1560. The nave continued in religious use until a new church was built at Resolis in 1769, thereafter the nave was allowed to fall into disrepair. Part of the nave was re-roofed around 1800 for use as a mausoleum but this was the last repair work carried out before 2002 when the Kirkmichael Trust formed to restore and maintain the building and associated mausolea. The Trust also aimed to produce a permanent exhibit to display the ornate medieval gravestones. The Trust has been running a successful volunteer programme whose archaeological activities have resulted in the discovery of further gravestones. The Trust has also run a popular community engagement programme involving training in traditional building skills.

Funding from the AHF included a Project Development Grant to enable the Trust to compile a project plan and develop successful major funding bids. An AHF loan was administered in 2015 to cover the project's working capital requirements allowing work to continue in between payments from major funders. In January 2017, members of the Trust were interviewed by BBC Alba in relation to the site and its connections to the wider historic landscape. The restoration of the church was completed in the Spring of 2017 and the church was visited in April by HRH the Duke of Gloucester, who praised the efforts of the community in restoring this piece of Scottish heritage.

PROFESSIONAL TEAM	
Architect:	McGregor Bowes
Quantity Surveyor:	Torrance Partnership
Structural Engineer:	David Narro Associates
Archaeology:	Highland Archaeology Services

OTHER PROJECT FUNDERS	£
Heritage Lottery Fund	280,154
Historic Scotland	144,996
Highland Council – capital grant	70,000
The Monument Trust	40,000
Robertson Trust	32,000
Highlands & Islands Enterpris	25,000
Wolfson Foundation	25,000
Pilgrim Trust	10,000
Hugh Fraser Foundation	10,000
Garfield Weston Foundation	10,000
Robert Barr Charitable Trust	10,000
Barrack Trust	5,000
Foyle Foundation	£5,000
The Cromarty Trust	5,000
Radcliffe Trust	2,500
PF Charitable Trust	2,000
Ann Gloag Foundation	1,000
Gordon Fraser Charitable Trust	1,000
Trust's own resources, including smaller grants and private donations	16,480

<b>Total investment</b>	<b>695,130</b>
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All images / Photography © Jim Mchay



# THE RUSSELL INSTITUTE

Paisley, Renfrewshire | Scotland  
The Paisley Development Trust

Status  
Category A  
At Risk Register?  
No

AHF Funding:  
2013: OAG: £7,500

Paisley's historic townscape is second only to Edinburgh in the number of listed buildings, and the Russell Institute is an important part of this significant environment. Designed in 1927 by J Steel Maitland, its patron placed no financial restrictions on its construction. This is evident from the use of bronze and stone sculpture on the exterior and the high quality of the interior fixtures. The building was established as a child welfare clinic and remained in use as a health centre until 2011.

Paisley Development Trust commissioned an options appraisal for the building, thanks to AHF funding, which determined that it would be viable as a business centre.

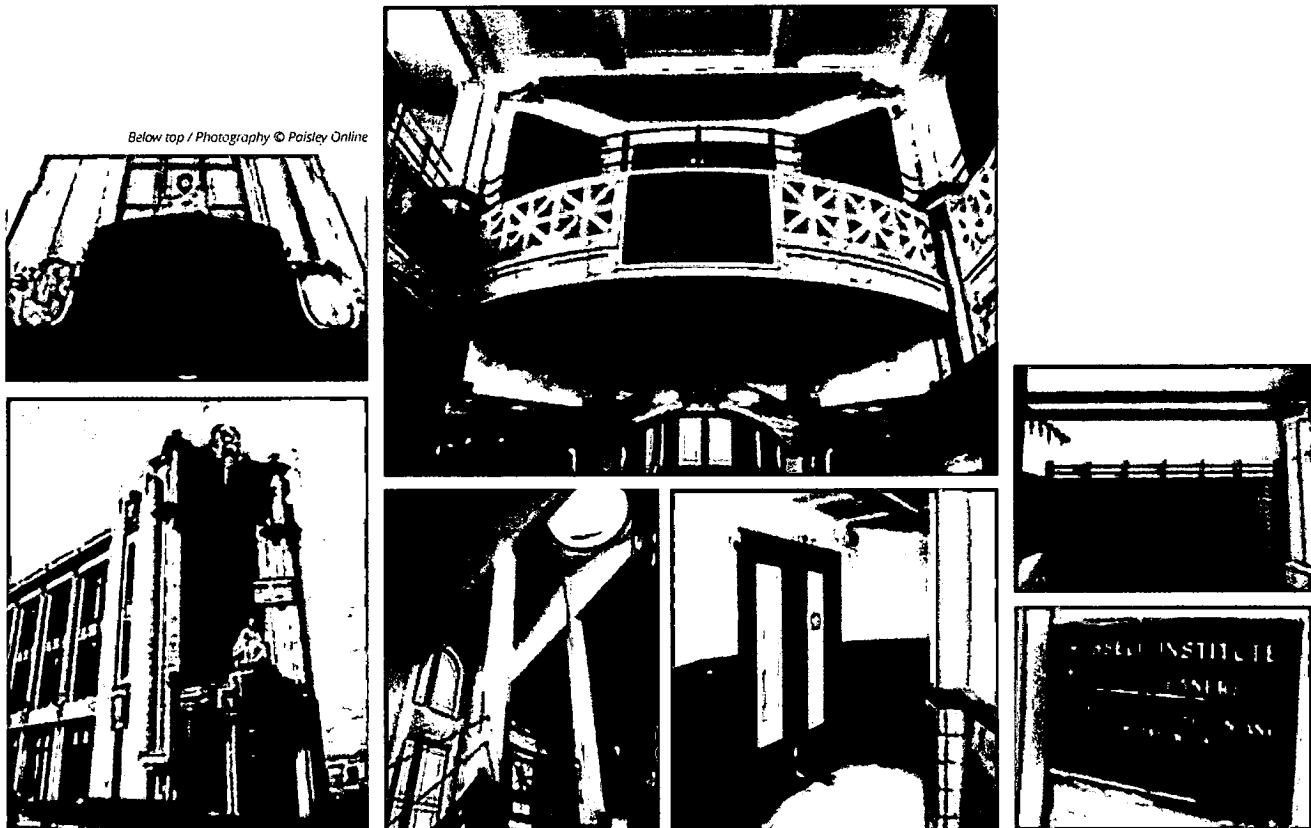
The refurbishment of the Russell Institute was then taken forward by Renfrewshire Council, as a key part of a larger works underway in Paisley: the Paisley Town Centre Townscape Heritage Initiative and Conservation Area Regeneration Scheme. These projects combined to form a built heritage led scheme which encouraged the repair of historic buildings in the town accompanied by an educational programme focussed around Paisley's heritage. Revitalising Paisley's history and heritage is central to its bid to become the 2021 UK City of Culture. The former health centre reopened its doors in Summer 2017 and is now home to Skills Development Scotland and the local Council's Invest in Renfrewshire employability team.

It will house around 120 employees including careers and employability staff helping unemployed people across Renfrewshire and which also works closely with local businesses to grow the local economy.

PROFESSIONAL TEAM
Architect: <b>Elder &amp; Cannon Architects</b>
Business Consultant: <b>Jura Consultants</b>
Structural Engineers: <b>ARUP</b>
Cost Consultant: <b>Gardiner and Theobald</b>
Main contractors: <b>CBC Ltd</b>

OTHER PROJECT FUNDERS
<i>Glasgow Airport flightpath fund and private donations made up the balance required to undertake the project</i>

Below top / Photography © Paisley Online





# AN SEÁN EAGLAIS (THE OLD CHURCH): PHASE 1

Derry | Northern Ireland  
 An Gaeláras | [www.culturlann-doire.ie](http://www.culturlann-doire.ie)

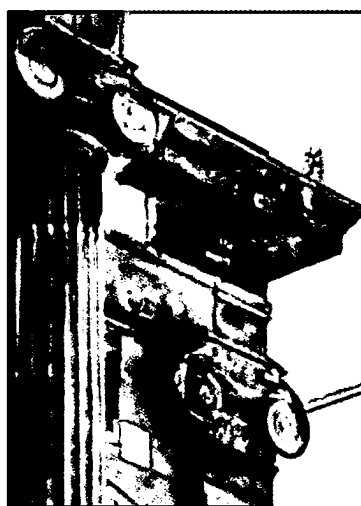
Status  
 Category B1  
 At Risk Register?  
 Yes

AHF Funding:  
 2017: PVG: £5,000

Great James' Street Presbyterian Church was built in 1837 to a design by architect Stewart Gordon, County Surveyor for Londonderry, and Surveyor for The Honourable The Irish Society. Constructed during the Victorian expansion of the city, it is one of the finest examples of Georgian style architecture in the area, sitting alongside elegant townhouses and imposing factories. Built using local sandstone, the neoclassical church is on an elevated site, has an imposing portico with ionic columns and makes a valuable contribution to the character of the Clarendon Conservation Area. In the late 1800's the church catered for skilled industrial immigrants from the Glasgow shipyards, and such was their impact that local streets were given Scottish names, and the church became known locally as the 'Scots Church'. The Church grounds were used by the British army in 1972 at the height of 'the Troubles', and the opening shots of Bloody Sunday originated from the rear of the building. The congregation left the church in 1983 and it was subsequently used as a local library and then a commercial glassworks before falling into disrepair. The 'at risk' church and its neighbouring manse were purchased by An Gaeláras and saved from demolition in 2014.

An Gaeláras considers the building to be a crucial element of the organisation's proposed 'cultural quarter', comprising a cluster of heritage and 'at risk' buildings, and aspires to create "one of the most iconic arts and performance spaces in the city" – a vibrant space for artists, performers, musicians, gallery exhibitions and education. The project will also include the interpretation of the history, heritage and architecture of the building and surrounding conservation area which will be used as a means of community engagement and outreach. The development of the former Presbyterian church will provide a shared space for all sections of the community within both the city and wider North West region to engage with the arts, and to explore and celebrate their culture and identity. The AHF grant will allow An Gaeláras to commission a viability report for the project and to examine the building's condition which is a requirement for their Round 2 application to the Heritage Lottery Fund.

PROFESSIONAL TEAM	
Architects: ASI Architects Ltd	
OTHER PROJECT FUNDERS	
	£
DoE NIEA acquisition grant	250,000
HLF Round One Development Phase grant	38,900
<b>Total investment</b>	<b>288,900</b>



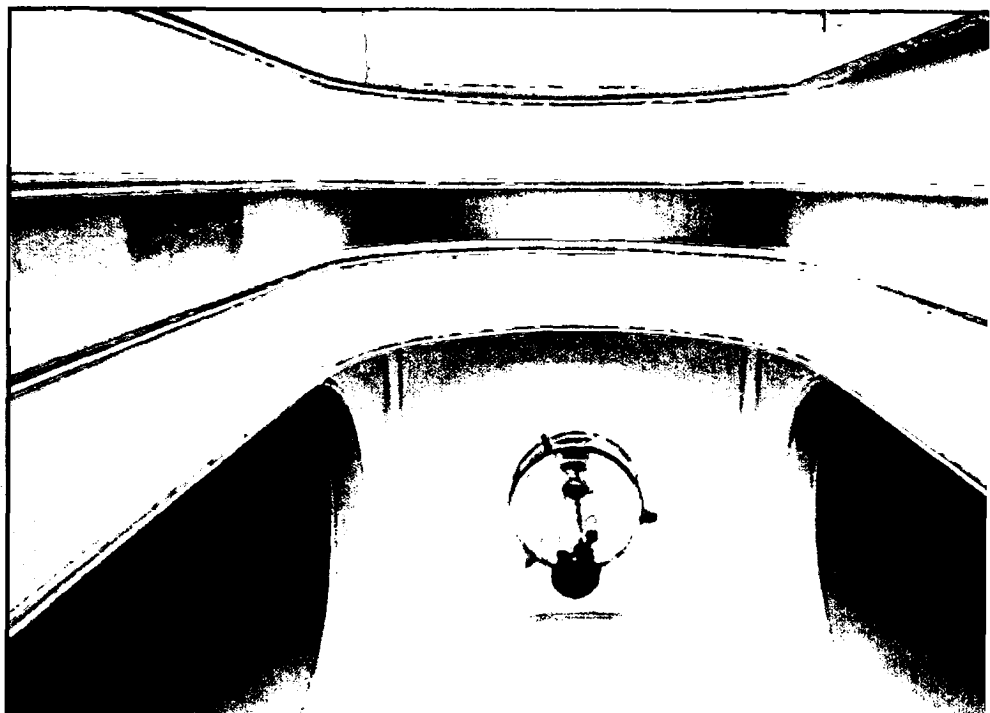
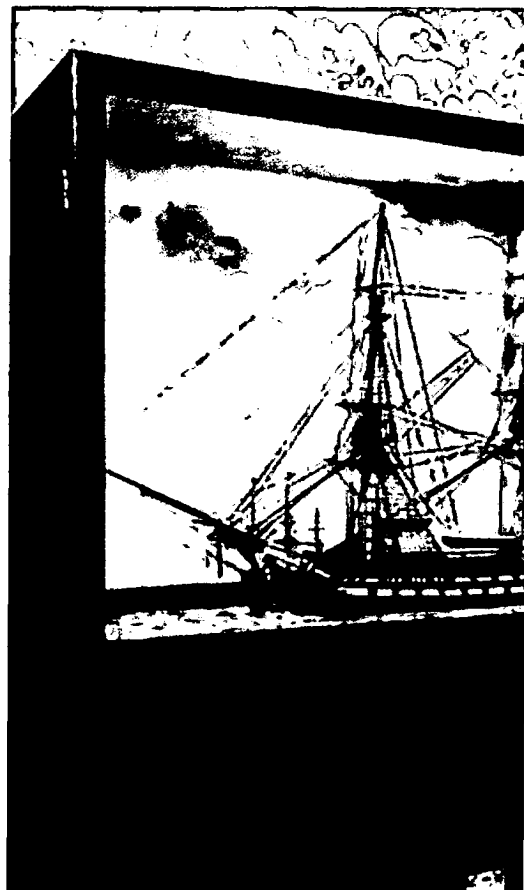
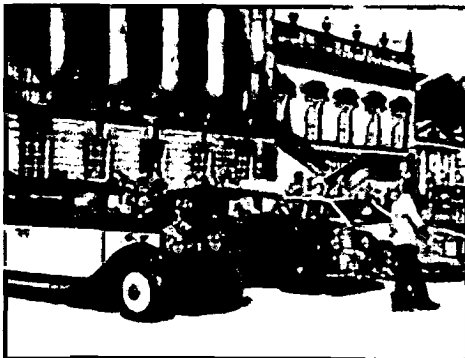
# FINANCIAL REVIEW

## 2016/17 Overview

A notable milestone was achieved over the last year on the AHF's journey towards greater financial resilience: after successive operational deficits (where expenditure was greater than unrestricted income), the AHF finally achieved a small surplus of £53,210 in 2016/17. Although modest, the surplus is vindication of the AHF's strategy to cut costs whilst securing new income. The elimination of the structural deficit helps build confidence with the AHF's existing and prospective financial backers. It has been a key priority for the AHF Board and Executive over the last two years. Any unrestricted fund surplus is allocated to the AHF's Designated Lending Fund, allowing the AHF to support a greater number of worthy projects in the future.

The surplus has been achieved in addition to the significant growth of the AHF's advice and grants activities. Three year funding agreements with several of the AHF's financial backers will help the organisation to plan its finances effectively over the next few years.

Total incoming resources in the year ended 31 March 2017 amounted to £1,900,778 (2016: £2,136,909). This comprised £1,448,375 (2016: £478,935) in restricted income, £9,800 in endowment contributions (2016: £1,233,485) and £442,603 (2016: £424,489) in unrestricted income.



*Clockwise from above:*  
 Wentworth Woodhouse, Rotherham  
 Turner's House, Twickenham / Photography © Anne Purkiss Photography  
 (remaining three images)

## 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 AHFs role, their skills are readily transferable to other organisations, in the voluntary and in other sectors. The AHF 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 the following factors when determining the recommended pay award for staff:

- CPI inflation forecasts: Current cost of living (CPI) forecasts for 2017 predict the rate to rise 1.6% to 2.1% by the 3rd quarter of 2017 where it will remain for the rest of the year.
- Comparative pay increases: The Chancellor announced in his Summer 2015 Budget that public sector pay increases will be capped at 1% from 2015 until 2019. CIPD's Labour Market Outlook report for the UK (published Autumn 2016) predicts pay increases of between 1% and 3% for the majority of workers, with higher pay

settlements for those in manufacturing, production and services and lower rates for those in the public and voluntary sectors. The AHF's contracted Support Officers automatically received a 2.5% increase in the value of their contracts from 1 April 2017 and 1 April 2018. This annual increase was agreed in advance with the AHF's funders and was included in AHF's grant applications.

- 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 2.5%. Such an increase rewards staff for their hard work whilst also making clear the AHF's intention to maintain pay constraint at a time of public sector cutbacks.

##### Severance payments

There were no severance payments made during the course of the year.

##### 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. Employer contributions made to the scheme in the year totalled £19,510.

##### 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 2016/17

Name of applicant | Project  Country  Grant type  Sum offered

Elmhurst Foundation  
Crown Inn, Chippenham

E  PVG  £ 5,000

Forest of Dean Buildings Preservation Trust  
Gunns Mill, Mitcheldean

E  PDG  £ 5,000

Forest of Dean Buildings Preservation Trust  
Gunns Mill, Mitcheldean

E  PDG  £ 15,000

Foxlowe Arts Centre  
Foxlowe Arts Centre, Leek

E  PVG  £ 4,500

Friends of Ingestre Orangery  
Ingestre Hall Orangery, Ingestre

E  PDG  £ 3,200

Friends of Stretford Public Hall  
Stretford Public Hall, Manchester

E  PDG  £ 20,000

Friends of the Leas Pavilion  
Leas Pavilion, Folkestone

E  PVG  £ 5,000

Generator Loughborough CIC  
12 Frederick Street, Loughborough

E  PDG  £ 25,000

George Community Pub (Wickham Market) Ltd  
George Inn, Wickham Market

E  PVG  £ 4,400

Giroscope Limited  
Saint Matthew's Church, Boulevard, Hull

E  PDG  £ 24,000

Godolphin Cross Community Association  
Godolphin Cross Methodist Chapel, Helston

E  PDG  £ 3,000

Gower Heritage & Enterprise Foundation  
Gower Street School, Telford

E  PDG  £ 25,000

Granby 4 Streets Community Land Trust  
121-144 Granby Street, Liverpool

E  PVG  £ 5,000

Greater Morpeth Development Trust  
Morpeth Station Building, Morpeth

E  PDG  £ 25,000

Hastings Creative Limited  
Holy Child Language School, St Leonard's

E  PDG  £ 5,000

Hereford Diocesan Board of Finance  
St. Michael's Church, Dulas

E  PDG  £ 4,900

Heritage Lincolnshire  
Greyfriars, Broadgate, Lincoln

E  PVG  £ 5,000

Hestercombe Gardens Trust  
Hestercombe House, Taunton

E  PDG  £ 15,000



Clockwise from top:  
Church of the Immaculate Conception  
Coker Rope and Sail Trust Ropewalk  
Dingle 2000 Toteeth Reservoir  
Bagnor Pier Trust



FINANCIAL REVIEW

Grants awarded

Grants awarded during 2016/17

Name of applicant | Project  Country  Grant type  Sum offered

Neighbourhood Services Company Limited  
Home Farm, Croxteth Hall & Park, Liverpool

   24,300

North East Theatre Trust Ltd.  
Newcastle upon Tyne

   19,600

North of England Civic Trust  
Keelmen's Hospital, Newcastle upon Tyne

   25,000

North of England Civic Trust  
Camp Farm, Maryport

   5,000

Norwich Preservation Trust Ltd  
16 Elm Hill, Norwich

   4,900

Petersfield Museum Ltd.  
Petersfield Police Station, Petersfield

   10,000

Pitzhanger Manor Trust  
Pitzhanger Manor, Ealing, London

   20,000

Plymouth Dance  
Tinside Lido, Plymouth

   5,000

Portland Works Little Sheffield Limited  
Portland Works, Sheffield

   9,200

Ragged School Museum Trust  
Bow, London

   19,000

Rare Trust  
Music Hall, 52 Bold Street, Liverpool

   3,000

Red Brick Building Centre Ltd  
Red Brick Building, Glastonbury

   15,000

Regenerus (South Sefton Development Trust)  
Carnegie Library, Crosby

   3,000

Resort CIC  
Pettman's Depository, Margate

   3,000

Richmondshire Building Preservation Trust Ltd  
Yore Mill, Aysgarth

   5,000

Richmondshire Community  
and Voluntary Action  
Old Grammar School, Richmond

   25,000

Saint Austell Market House CIC  
Market House, Saint Austell

   15,000

Sheerness Dockyard Preservation Trust  
Dockyard Church, Sheerness

   25,000



Clockwise from above:  
Edgcumbe House, Lostwithiel  
Sion Mills Stables  
Ingessue Hall Orangery  
Glasgow Green Boothouse

## FINANCIAL REVIEW

### Grants awarded

#### Grants awarded during 2016/17

Name of applicant | Project  Country  Grant type  Sum offered

Tyne and Wear Building Preservation Trust  
Saint John's Cemetery Lodge,  
Newcastle upon Tyne

   3,000

United Kingdom Building Preservation Trust  
93-113 Harper Street, Middleport,  
Stoke-on-Trent

   15,090

Valley Heritage  
Waterside Mill, Bacup

   10,000

Wentworth Castle & Stainborough Park  
Heritage Trust  
Menagerie House, Stainborough Park, Barnsley

   2,975

Wentworth Woodhouse Preservation Trust  
Wentworth Woodhouse, Rotherham

   25,000

West Midlands Historic Buildings Trust  
Himley Hall Kitchen Garden, Dudley

   5,000

Winterbourne Medieval Barn Trust  
Winterbourne Medieval Barn, Somerset

   19,900

Wiveliscombe Town Hall Trust  
Wiveliscombe Town Hall, Somerset

   2,930

Wiveliscombe Town Hall Trust  
Wiveliscombe Town Hall, Somerset

   12,500

Wolfeton Riding House Trust  
Wolfeton Riding House, Charminster

   10,000

Wymering Manor Trust  
Wymering Manor, Portsmouth

   13,500

YMCA Somerset Coast  
Barley Wood (Garden Pavilion), Wrington

   5,000

Above Adventure Ltd  
Grange Church, Kilmarnock

   20,000

ARC - Kingussie  
Pitmain Lodge and MacRobert House,  
Kingussie

   17,000

Comrie Development Trust  
Cultybraggan Camp, Comrie

   25,000

David Livingstone Trust  
Shuttle Row, Blantyre

   25,000

Dumfries Historic Building Trust  
Cabbies' Kiosk, Dumfries

   1,200

Forward Coupar Angus  
White House, Coupar Angus

   3,000



*Clockwise from above:*  
Bell Foundry, Loughborough  
Goods Shed, Railway Yard, Llanelli  
Hestercombe House, Taunton  
16 Elm Hill, Norwich

## FINANCIAL REVIEW

### New loans and extensions

#### New loan offers and extensions during 2016/17

Name of applicant | Project Country Loan or extension Sum offered

##### New loans offered

Bennington Community Heritage Trust  
All Saints Church, Benington, Lincolnshire

LOAN 152,000

Coker Rope and Sail Trust  
The Ropewalk, West Coker, Yeovil

LOAN 50,000

Fulham Palace Trust  
West Wing Offices, Fulham Palace, Fulham

LOAN 400,000

Greater Manchester BPT  
Long Street Methodist Church, Middleton

LOAN 50,000

SLT BPT  
The Old Fire Station, Norwood High St, London

LOAN 100,000

Swanage Pier Trust  
Swanage Pier, Swanage

LOAN 100,000

The Packhorse Community Pub Ltd.  
The Packhorse Inn, Old School Hill,  
South Stoke, Bath

LOAN 250,000

Tyne and Wear BPT  
St. Hilda's Colliery Headstock, South Shields

LOAN 60,000

David Livingstone Trust  
Scottish National Museum to  
David Livingstone Trust, Blantyre

LOAN 500,000

Gairloch & District Heritage Company  
Anti-Aircraft Operations Room,  
Achtercairn, Gairloch

LOAN 125,000

Govanhill Baths Community Trust  
Govanhill Baths, Glasgow

LOAN 50,000

Cambrian HRT  
Llanelly House, Llanelli

LOAN 20,000

**Total £1,857,000**

##### Loan extensions

Clophill Heritage Trust  
St. Mary's Old Church, Clophill, Bedfordshire

LOAN 131,000 + £10,000 top-up

John Clare Trust  
The John Clare House, Helpston

EXT 210,000

North East Civic Trust  
Warwick Bridge Corn Mill, Carlisle

EXT 89,503

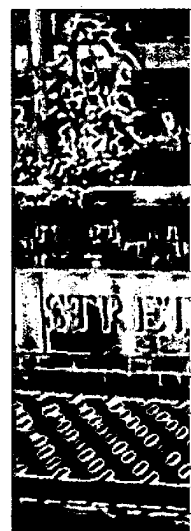
Welsh Georgian Trust  
Plas Kynaston, Wrexham

EXT 100,000

Hearth Revolving Fund Trust  
Sion Mills Stables, Sion Mills, Strabane

EXT 50,000

**Total £590,503**



## 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 the 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 below:**

Riddle's Court, Edinburgh  
Stretford Public Hall, Stretford, Manchester  
Kirkmichael, Dingwall, Highland / Photography © Jim McKay  
Lower Lodge Gateway Project, Ashton Court, Bristol





## FINANCIAL REVIEW

### Risk profile

In accordance with the AHF's risk management policy, three identified areas of risk were the subject of an in-depth review during the course of the year – IT infrastructure, loan churn and insurance. In each instance the nature, cause and impact of risk was identified, analysed and a series of actions were implemented to mitigate risk to an acceptable level.

#### IT infrastructure

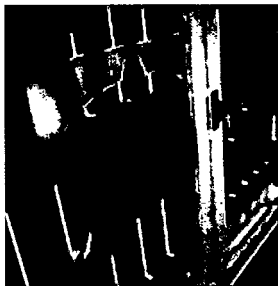
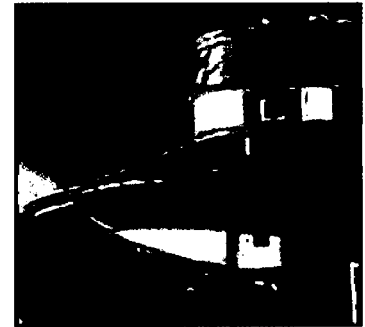
- A new broadband line was installed to improve reliability and speed of connection for remote workers.
- A new back up strategy and process was introduced to protect against crypto-ransomware.
- Email was moved to the cloud to mitigate against system failures.
- Firewall and main server replaced to increase reliability and performance.
- New grants and loans management database commissioned to improve data recording and reporting accuracy.

#### Loan churn

- Trustees approved the introduction of new loan products to reflect the needs of the AHF's borrowers.
- A new Business Development Officer will be recruited in 2017 to help build the AHF's available capital for lending, including the development of a possible Heritage Impact Fund.
- The AHF will develop a business support proposal to assist its borrowers to undertake business reviews and implement changes necessary to achieve improved trading performance.

#### Insurance

- All insurance cover reviewed and re-tendered.
- Indemnity insurance cover obtained with all AHF contractors required to provide own indemnity cover.
- Commercial insurance cover expanded to include provision for implementing a revised disaster recovery plan.
- Personal accident insurance cover obtained for all AHF staff and contractors.



*Clockwise from top:*  
 Campbeltown Picture House, Campbeltown  
 The Duke of Marlborough, Suffolk  
 Thomas Whity House, Auminster  
 The Assay Office, King Edward Mine Camborne, Cornwall  
 / Photography © Tamara Smith Photography

## STRUCTURE, GOVERNANCE AND MANAGEMENT

## Committees

## 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, including a Credit Panel.

## Finance &amp; General Purposes Committee

The Finance & General Purposes Committee comprises the 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 online.

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

## Audit and Risk Committee

Composed of up to four Board members, the duty of the Audit and Risk Committee is to consider and report to the Board on matters of financial control and performance, and to help trustees and staff identify and assess risks to the organisation. The 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 and 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 was having a deleterious effect on 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 3 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	●	●		
Susan Brown ( <i>from 24/1/17</i> )	2017		●		
Elizabeth Davidson	2007		●	●	●
Kate Dickson	2013		●	●	●
John Duggan	2010	●	●		
Rita Harkin ( <i>resigned 14/4/17</i> )	2011		●	●	
David Hunter ( <i>from 13/2/17</i> )	2017		●		
Roy Hodson ( <i>from 7/4/16, also Chair of Audit &amp; Risk Committee</i> )	2016	●	●		
Richard Keen	2014		●	●	
Philip Kirby ( <i>retired 14/4/17</i> )	2011		●		●
Elizabeth Peace ( <i>Chairman</i> )	2014		●		●
Suzanne Snowden ( <i>from 24/1/17</i> )	2017		●		

## TRUSTEES, EXECUTIVE AND THE AHF TEAM

*Trustees***Elizabeth Davidson OBE***(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 Laird's 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.

**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 Archaeology. 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. Previous not for profit appointments include Chair of Milton Keynes Parks Trust for twenty years, board member of the China US Centre for sustainability, member of the Investment Committee of the Bridges Ventures Sustainability Fund and, until recently adviser to Actis (previously the Commonwealth Development Fund) on logistics development in Africa.

**David Hunter***(Trustee for Scotland)*

David Hunter is a professional Non-executive Director and Strategic Adviser focused principally on UK and International real estate. He is currently either Chairman or Non-executive Director of various companies, listed and unlisted, overseeing investments in the UK, India, and South Africa. His role as Chairman of a leading UK based real estate debt fund manager allows him to bring experience directly relevant to the activities of the AHF.

David qualified as a Chartered Surveyor in 1978 and his background is as a fund manager, most significantly from 2001 till 2004 as Managing Director of Aberdeen Asset Management's £6.5bn UK and International property fund business. He was President of the British Property Federation in 2004. He is Honorary Swedish Consul to Glasgow, is an Honorary Professor of Real Estate at Heriot-Watt University and is on the Board of Dundee Design Ltd which is creating the iconic V&A Museum in Dundee.

**From front to back:**

David Hunter, Elizabeth Davidson,  
Sue Brown, Liz Pearce,  
John Duggan, Roy Hudson,  
Kate Dickson, Myra Barris,  
Suzanne Snowden, Richard Keen

## TRUSTEES, EXECUTIVE AND THE AHF TEAM

### Trustees

#### Executive

#### Richard Keen

Chair of Grants Panel  
(Trustee for Wales)

Richard 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 a Trustee of the Welsh Georgian Trust; Director of the Commodum Trust and Trustee of the Land Phil Global Trust.

#### Suzanne Snowden

Suzanne Snowden is a consultant specialising in brand, communications and digital marketing. She brings experience in delivering complex marketing, research and content development programmes. She is passionate about using technology to raise awareness around preserving historic buildings. Prior to her current role she worked as a strategy consultant as well as holding leadership roles in business development, marketing and client service teams. Most recently, as Global Director of Thought Leadership at PwC, Suzanne led the firm's Global content-marketing activities including directing the research and campaign programme behind PwC's Annual Global CEO Survey launched each year during the World Economic Forum annual meeting in Davos, Switzerland.

#### Executive

The executive comprises two teams: Operations and Investment. The AHF Operations Team run 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 UK, where they are better placed to meet the needs of locally-based groups.

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

#### Ian Morrison

Chief Executive to 11 July 2017

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.

Ian left the AHF in July 2017 to take up a new role as Historic England's Director of Planning.

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The members of the Board (who are the trustees, and also directors of The Architectural Heritage Fund for the purposes of company law), which was formerly known as the Council of Management, 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 ("the AHF") and of the incoming resources and application of resources, including the income and expenditure, of the AHF for that year. In preparing these financial statements, the Board is required to:

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

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

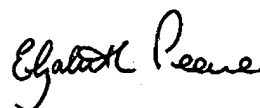
In so far as the trustees are aware:

- there is no relevant audit information of which the AHF'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 AHF's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

Signed on behalf of the Board:



**Liz Peace**

Chairman

27 September 2017

## 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 2017 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, based on the work undertaken in the course of the audit:

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

### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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.

*Kingston Smith LLP*

**Luke Holt**

(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

# STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2017

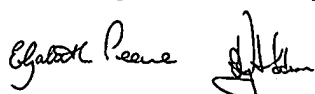
	Endowment Fund £	Restricted Fund £	Unrestricted Fund £	2017 Total £	2016 Total £
<b>Income and endowments from:</b>					
<b>Donations and legacies</b>					
Donations and legacies from individuals and corporations	-	-	10,698	10,698	890
Government grants <sup>Note 4</sup>	9,800	1,448,375	-	1,458,175	1,643,420
Other grants <sup>Note 5</sup>	-	-	-	-	69,000
	<b>9,800</b>	<b>1,448,375</b>	<b>10,698</b>	<b>1,468,873</b>	<b>1,713,310</b>
<b>Charitable activities</b>					
	-	-	36,833	36,833	18,760
	-	-	<b>36,833</b>	<b>36,833</b>	<b>18,760</b>
<b>Investments</b>					
Interest receivable - on bank deposits	-	-	11,996	11,996	13,312
Interest receivable - on loans disbursed	-	-	344,896	344,896	353,378
Rent receivable	-	-	38,180	38,180	38,149
	-	-	<b>395,072</b>	<b>395,072</b>	<b>404,839</b>
<b>Total income</b>	<b>9,800</b>	<b>1,448,375</b>	<b>442,603</b>	<b>1,900,778</b>	<b>2,136,909</b>
<b>Expenditure on:</b>					
<b>Raising funds</b>					
Generating voluntary income	-	-	13,395	13,395	15,108
Investment management - financial	-	-	10,664	10,664	6,758
Investment management - property	-	-	15,776	15,776	13,339
	-	-	<b>39,835</b>	<b>39,835</b>	<b>35,205</b>
<b>Charitable activities</b>					
<b>Loan and grant</b>					
Repayment of loans previously provided for <sup>Note 6</sup>	-	-	(61,465)	(61,465)	-
Losses on loans not previously provided for <sup>Note 6</sup>	-	-	-	-	156,347
Increase in the loan bad debt provision <sup>Note 6</sup>	29,886	-	14,486	44,372	87,820
Other loan-related activities	-	-	134,381	134,381	155,367
Grantmaking	-	1,327,641	31,572	1,359,213	464,981
	<b>29,886</b>	<b>1,327,641</b>	<b>118,974</b>	<b>1,476,501</b>	<b>864,515</b>
<b>Development and advocacy</b>					
Capacity building	-	120,734	121,585	242,319	244,428
Annual Report and other publications	-	-	55,778	55,778	57,036
Contribution to the Heritage Trust Network	-	-	5,000	5,000	5,000
	-	<b>120,734</b>	<b>182,363</b>	<b>303,097</b>	<b>306,464</b>
<b>Total expend. on charitable activities</b>	<b>29,886</b>	<b>1,448,375</b>	<b>301,337</b>	<b>1,779,598</b>	<b>1,170,979</b>
<b>Total expenditure</b> <sup>Note 7</sup>	<b>29,886</b>	<b>1,448,375</b>	<b>341,172</b>	<b>1,819,433</b>	<b>1,206,184</b>
<b>Net income/(expenditure)</b>	<b>(20,086)</b>	<b>-</b>	<b>101,431</b>	<b>81,345</b>	<b>930,725</b>
<b>Transfers between funds</b> <sup>Note 18</sup>	<b>48,221</b>	<b>-</b>	<b>(48,221)</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b> <sup>Note 9</sup>	<b>28,135</b>	<b>-</b>	<b>53,210</b>	<b>81,345</b>	<b>930,725</b>
<b>Reconciliation of funds</b>					
Balances at 1 April 2016	11,613,961	119,000	2,290,009	14,022,970	13,092,245
<b>Balances at 31 March 2017</b> <sup>Note 17</sup>	<b>11,642,096</b>	<b>119,000</b>	<b>2,343,219</b>	<b>14,104,315</b>	<b>14,022,970</b>

## BALANCE SHEET AS AT 31 MARCH 2017

	2017 £	2016 £
<b>Fixed assets</b>		
Investment property <sup>Note 13</sup>	500,000	500,000
Other tangible assets <sup>Note 14</sup>	-	-
Programme related investments:		
Loans disbursed for preservation projects	6,767,905	6,532,155
<b>Total fixed assets</b>	<b>7,267,905</b>	<b>7,032,155</b>
<b>Current assets</b>		
Investments on short-term deposit	1,225,866	507,791
Debtors:		
Loan interest receivable	357,095	414,264
Government grants receivable	104,353	128,038
Endowment funding receivable	240,800	1,233,485
Other accrued income and prepayments	5,530	1,968
	<u>1,933,644</u>	<u>2,285,546</u>
Cash and cash equivalents	<u>8,105,319</u>	<u>7,398,105</u>
	<b>10,038,963</b>	<b>9,683,651</b>
Creditors: amounts falling due within one year <sup>Note 16</sup>	<u>(3,202,553)</u>	<u>(2,692,836)</u>
<b>Net current assets</b>	<b>6,836,410</b>	<b>6,990,815</b>
<b>Net assets</b>	<b>14,104,315</b>	<b>14,022,970</b>
<b>Funds</b> <sup>Note 18</sup>		
Endowment fund	11,642,096	11,613,961
Restricted fund	119,000	119,000
Unrestricted funds		
Designated lending fund	1,893,219	1,670,009
General fund	<u>450,000</u>	<u>620,000</u>
	2,343,219	2,290,009
<b>Total funds</b>	<b>14,104,315</b>	<b>14,022,970</b>

At the year end, the AHF had commitments in respect of loans offered or contracted but not yet disbursed of £2,294,200 (2016 - £2,776,990); see note 12.

Programme related investments include £4,780,614 in loans outstanding which are due for repayment after more than one year (2016 - £6,027,193). The financial statements were approved by the Board, and authorised for issue, on 27 September 2017 and signed on their behalf by:



Liz Peace  
Chairman

27 September 2017

Roy Hodson

Chairman of the Audit & Risk Committee

27 September 2017

**The Architectural Heritage Fund**

Company limited by guarantee

registration number 01150304



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

## 1 Company status

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

## 2 Accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the AHF's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) published on 16 July 2014. The AHF is a public benefit entity for the purposes of FRS 102 and therefore the AHF 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 AHF has adapted the format of the accounts to reflect the special nature of the AHF's activities. Additional information has been provided where this increases understanding of the figures.

The financial statements are prepared in sterling, which is the functional currency of the AHF. 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 AHF 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 AHF has adequate resources to continue in operational existence for the foreseeable future. The AHF therefore continues to adopt the going concern basis in preparing its financial statements as they do not consider there to be any material uncertainties about the AHF's ability to continue.

### Prior year comparatives

The short term investment balance was reclassified from cash and cash equivalents to short term investments in the prior year, as this more appropriately represents the nature of the balance held at the year end.

### Income

All income is included in the Statement of Financial Activities when the AHF is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the AHF 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

### 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:

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 90 days or less.

### Financial instruments

Financial instruments are recognised in the AHF's Balance Sheet when the AHF 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 AHF 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 AHF 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).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	Endowment fund £	Restricted funds £	2017 total £	2016 total £
<b>4 Analysis of government grants receivable</b>				
The Department for Digital, Culture, Media & Sport (DCMS)	-	-	-	435,000
Historic England	-	1,257,375	1,257,375	264,920
Historic Environment Scotland	9,800	173,200	183,000	680,000
Cadw: Welsh Historic Monuments	-	17,800	17,800	251,000
Dept of Environment: Northern Ireland	-	-	-	12,500
	<b>9,800</b>	<b>1,448,375</b>	<b>1,458,175</b>	<b>1,643,420</b>

The income from government grants was £1,458,175 (2016: £1,643,420) of which £9,800 (2016: £1,233,485) was attributable to endowment funds and £1,448,375 (2016: £409,935) was restricted.

	Restricted funds 2017 total £	Restricted funds 2016 total £
<b>5 Other grants receivable</b>		
Strathclyde Building Preservation Trust		
SBPT Legacy Fund	-	69,000
	-	<b>69,000</b>

	Endowment fund £	Unrestricted funds £	2017 total £	2016 total £
<b>6 Losses on loans and adjustments to the bad debt provision</b>				
Repayment of loans previously provided for	-	(61,465)	(61,465)	-
Losses on loans not previously provided for:				
Capital	-	-	-	130,832
Interest	-	-	-	25,515
	-	<b>(61,465)</b>	<b>(61,465)</b>	<b>156,347</b>
<b>Increase / (decrease) in the loan bad debt provision:</b>				
Loan capital – endowment – specific	12,014	-	12,014	119,796
Loan capital – endowment – general	17,872	-	17,872	(46,818)
Loan interest	-	14,486	14,486	14,842
	<b>29,886</b>	<b>14,486</b>	<b>44,372</b>	<b>87,820</b>

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 2016/17, as for 2015/16.

Loans disbursed and loan interest receivable are stated after provisions for impairment amounting to £950,440 (2016: £906,068).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

7 Analysis of total resources expended	Staff costs <sup>Note 10</sup> £	Grants <sup>Note 8</sup> £	Direct costs £	Publication costs £	Heritage Trust Network £
<b>Resources expended</b>					
Costs of generating funds (unrestricted)	15,579	-	-	-	-
Loan-related activities	72,702	-	13,652	-	-
Grantmaking	119,394	1,115,064	-	-	-
Capacity building	86,435	-	-	-	-
Annual Review and other publications	17,029	-	-	29,548	-
Net contribution to the Heritage Trust Network	-	-	-	-	5,000
<b>2017 total</b>	<b>311,139</b>	<b>1,115,064</b>	<b>13,652</b>	<b>29,548</b>	<b>5,000</b>
<b>2016 total</b>	<b>351,026</b>	<b>247,936</b>	<b>65,285</b>	<b>18,986</b>	<b>5,000</b>

Loan-related activities include gains on loans of £61,475 (2016: £156,347 losses) and a net increase of £44,372 (2016: £174,029) in the provision for bad debts, as detailed in Note 6.

**Other support costs of £313,051**

(2016: £460,936) include:

General office and administration		
Accommodation, travel & subsistence	£62,987	(2016: £44,816)
Repayment of loans previously provided for	£20,109	(2016: £18,502)
Losses on loans not previously provided for	(£61,465)	(2016: £nil)
Increase in the provision for bad debts	-	(2016: £156,347)
Investment property management (external)	£44,372	(2016: £87,820)
Regional support initiative	£12,685	(2016: £9,934)
Other costs	£162,568	(2016: £76,252)
Governance costs	£22,358	(2016: £12,517)
	£49,437	(2016: £54,748)
	<b>£313,051</b>	<b>(2016: £460,936)</b>

Expenditure on charitable activities was £1,779,598 (2016: £1,170,979) of which £29,886 (2016: £229,325) was attributable to endowment funds, £1,448,375 (2016: £409,935) was restricted and £301,337 (2016: £531,719) was unrestricted.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	Offered £	Withdrawn £	2017 Net charge £	2016 Net charge £
<b>8 Non-refundable grants</b>				
<b>Core initiatives:</b>				
Project viability	199,761	(17,588)	182,173	66,985
Project development	990,260	(63,677)	926,583	185,951
<b>Special initiatives:</b>				
Cold spots (scheme no longer active)	-	(2,040)	(2,040)	(5,000)
Challenge fund	-	(3,452)	(3,452)	-
	<b>1,190,021</b>	<b>(86,757)</b>	<b>1,103,264</b>	<b>247,936</b>

	Number	Number
Project viability	50	8
Project development	70	13
Cold spots	-	1
Challenge fund	-	1
	<b>120</b>	<b>23</b>

**9 Net movement in funds**

The net movement in funds is arrived at after charging:

	2017 £	2016 £
Depreciation	-	14,938
Loss on disposal of fixed assets	-	37,847
Auditors' remuneration – current year audit	15,000	14,100
Auditors' remuneration – previous year	82	1,112
Auditors' remuneration – non-audit services	22,891	22,751
Operating lease charges – land and buildings	20,000	25,659
Operating lease charges – office equipment	2,762	1,777

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
<b>12 Commitments</b>		
<i>Loan commitments</i>		
The AHF had the following loan commitments at the year end:		
Contracted but not yet fully disbursed	265,000	714,490
Offered but not yet contracted	2,029,200	2,062,500
<b>Total Commitments</b>	<b>2,294,200</b>	<b>2,776,990</b>

	2017 £	2016 £
<i>Operating leases</i>		
At 31 March 2017 the total of the AHF's future minimum lease payments under non-cancellable operating leases was:		
Amounts due within one year	22,762	22,762
Amounts due between one and five years	60,439	83,201
Amounts due after five years	-	-
	<b>83,201</b>	<b>105,963</b>

	2017 £	2016 £
<b>13 Investment property</b>		
Friars Walk, Market Place, Burton upon Trent, Staffordshire: net book value at year end	500,000	500,000

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
<b>16 Creditors</b>		
Outstanding non-refundable grant offers	2,089,282	1,455,308
Heritage England – Challenge fund advance	800,000	1,000,000
Garfield Weston – Support officer and grants programme advance	150,000	-
Trade creditors	6,393	7,197
Tax and social security	8,138	6,891
Accruals and deferred income	148,740	223,440
	<b>3,202,553</b>	<b>2,692,836</b>
<b>Deferred income</b>		
Deferred income as at 1 April 2016	196,085	-
Resources deferred in the year	-	196,085
Resources released in the year	(63,745)	-
	<b>132,340</b>	<b>196,085</b>

Income deferred in the year relates to grant income.

	Unrestricted Funds £	Endowment Funds £	Restricted Funds £	Total Funds 2017 £
<b>17 Analysis of net assets between funds</b>				
Fund balances at 31 March 2017 represented by:				
Fixed assets – investment property	-	500,000	-	500,000
Fixed assets – investments	536,634	6,231,271	-	6,767,905
Current assets	2,536,186	4,910,825	2,591,952	10,038,963
Current liabilities	(729,601)	-	(2,472,952)	(3,202,553)
<b>Total net assets</b>	<b>2,343,219</b>	<b>11,642,096</b>	<b>119,000</b>	<b>14,104,315</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	Movement in resources			Balance at 31st March 2017 £
	Balance at 1st April 2016 £	Income £	Expenditure £	
<b>18 Funds (continued)</b>				
<b>Restricted fund</b>				
<b>Grants in support of core initiatives:</b>				
Historic England	-	1,071,630	1,071,630	-
Historic Environment Scotland	-	173,200	173,200	-
Cadw: Welsh Historic Monuments	-	17,800	17,800	-
Dept of Environment: Northern Ireland	-	-	-	-
	-	<b>1,262,630</b>	<b>1,262,630</b>	-
<b>Grant in support of the Support Officers initiative:</b>				
Historic England <i>Industrial heritage at risk</i> Support officers	-	<b>185,745</b>	<b>185,745</b>	-
<b>Grant in support of the SBPT Legacy Fund</b>				
Strathclyde Building Preservation Trust	<b>69,000</b>	-	-	<b>69,000</b>
<b>Grant in support of the Heritage Enterprise development initiative:</b>				
Historic England	<b>50,000</b>	-	-	<b>50,000</b>
<b>Restricted fund totals</b>	<b>119,000</b>	<b>1,448,375</b>	<b>1,448,375</b>	<b>119,000</b>

Grants in support of core initiatives fall into two categories: match-funding for the AHF's Project Viability Grants and Project Development Grants, and general funding in support of these schemes and related aspects of the AHF's core aims and objectives.

The 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. This initiative was expanded during the year ended 31 March 2017 and is now UK wide with 11 Support Officers in post. Funding is in place until 2019.

The SBPT legacy fund was created in November 2015 with a transfer of £69,000 from 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 appropriate OSCR registered organisation. In February 2017, a capital grant offer of £69,000 was made to the Scottish Veterans Garden History Association (trading as 'Houses for Heroes'), who are now restoring Shawmuir Lodge as a home for a veteran. Capital works on site are expected to be completed in Autumn 2017.



# CONTENTS

Annual Report 2016/17

*Building a better future from our past*

## **OVERVIEW**

### ABOUT THE ARCHITECTURAL HERITAGE FUND

- 2 | About the AHF
- 8 | The year in numbers
- 10 | FROM THE CHAIRMAN
- 11 | FROM THE CHIEF EXECUTIVES

## **TRUSTEES' REPORT**

### ACHIEVEMENTS: PROGRESS AGAINST OUR STRATEGY

- 13 | Priority One
- 16 | Priority Two
- 20 | Priority Three
- 24 | Priority Four
- 26 | Priority Five
- 28 | Priority Six

### CASE STUDIES

- 32 | England
- 51 | Wales
- 52 | Scotland
- 61 | Northern Ireland

### FINANCIAL REVIEW

- 64 | Financial overview
- 67 | Grants awarded
- 74 | New loans
- 75 | Plans for the future
- 76 | Principal risks and uncertainties

### 79 | STRUCTURE, GOVERNANCE AND MANAGEMENT

- 81 | TRUSTEES, EXECUTIVE AND THE AHF TEAM
- 88 | STATEMENT OF TRUSTEES' RESPONSIBILITIES
- 89 | AUDITOR'S STATEMENT
- 91 | BENEFACTORS AND FRIENDS

## **FINANCIAL STATEMENTS**

- 92 | STATEMENT OF FINANCIAL ACTIVITIES
- 93 | SUMMARY INCOME AND EXPENDITURE ACCOUNT
- 94 | BALANCE SHEET AS AT 31 MARCH 2017
- 95 | STATEMENT OF CASH FLOWS
- 96 | NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017



## 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.

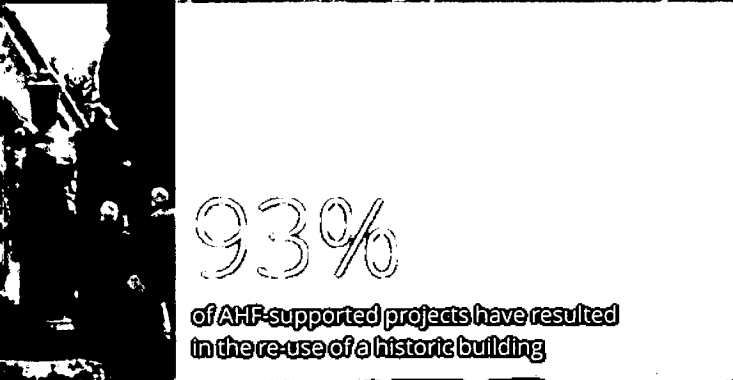
In most years, the primary cost of generating voluntary income is internal, involving negotiation with, and reporting to, the AHF's four Governmental funders.

*Clockwise from bottom left:  
The Duke of Marlborough, Suffolk  
Lower Lodge Gateway Project, Ashton Court, Bristol  
Turner's House, Twickenham / Photography © Anne Purkiss  
Sretford Public Hall, Sretford, Manchester*



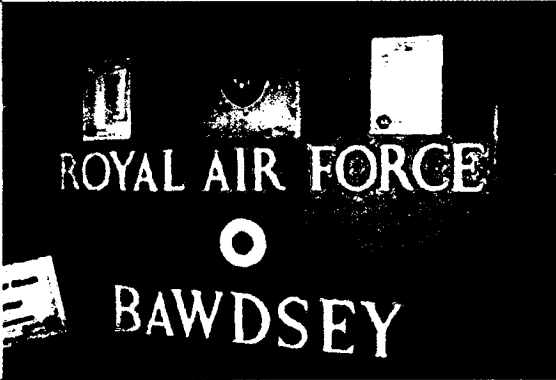
66%

of AHF clients consider themselves more financially sustainable as a result of the AHF support



93%

of AHF-supported projects have resulted in the re-use of a historic building



83%

say that AHF support helped them secure additional funding from other organisations



91%

of clients believe that AHF support has increased their credibility to other potential funders

2,000+

people have developed new skills in community engagement



1,500,000+

people have attended events held at an AHF supported project...

400,000+

...of which were children or young people...



250,000+

...and at least 250,000 were adults from low-income or other disadvantaged groups



3,000+

training opportunities have been created in the last year...



1,000+

...of which were for young people

1,000+

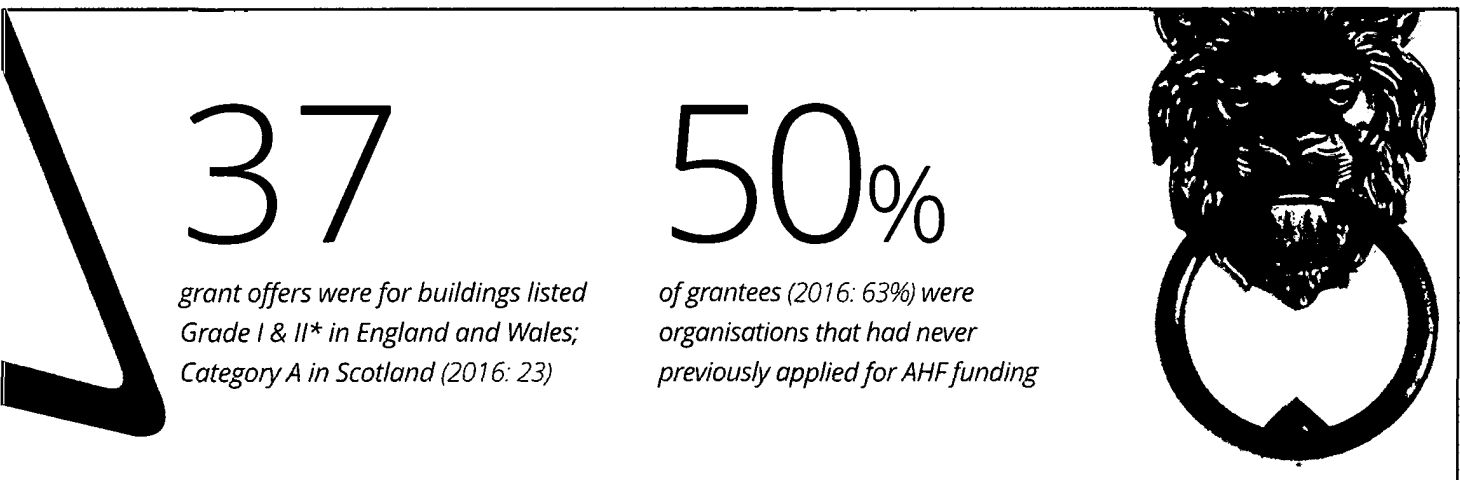
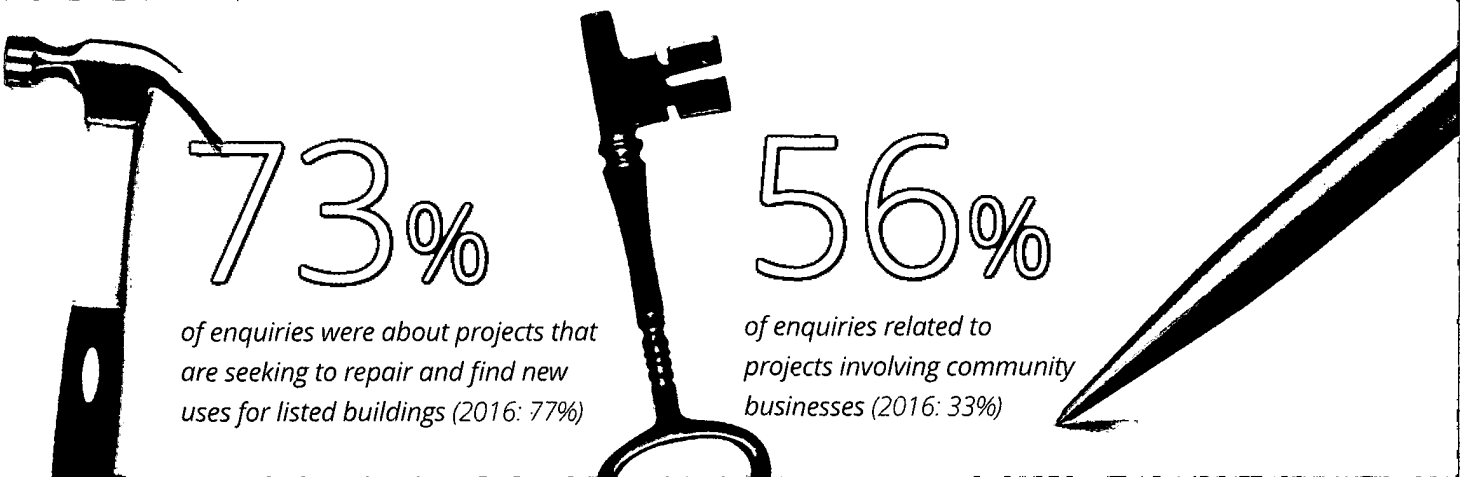
FTE employment opportunities have been created during project works, with an estimated additional 1,000 FTE opportunities ongoing once works are complete



2,000,000+

people have visited an AHF supported project in the last 12 months for leisure or recreation purposes





## FROM THE CHIEF EXECUTIVES

*Ian Morrison  
Outgoing Chief Executive  
to July 2017*

This is my third but sadly my last contribution to the AHF's Annual Report. I am sorry to be leaving such a wonderful charity, but the temptation of re-joining Historic England, at a time of significant challenge for the country and for the conservation and enjoyment of its heritage, was too great to resist.

In many ways, now is a good time to move on. The AHF is re-established as one of the three primary UK organisations helping communities to repair and re-use their heritage, alongside the Heritage Lottery Fund and the relevant historic environment agency in each country. As well as the expansion in our support officer and grants services, negotiations are already well-advanced with other funders to provide the AHF with more capital to lend. The re-structuring programme has been completed. And for the first time in over 15 years the AHF has posted a small surplus, which means the charity has more money available to help communities than ever before. Matthew McKeague brings a wealth of experience and knowledge, and I have no doubt he will bring a fresh approach and find creative new ways to expand the AHF's activities.

To conclude I would like to offer my sincere thanks to Liz, all of AHF's trustees past and present, and to AHF's outstanding staff, support officers and volunteers, too many to name here but all of whom have contributed to the success of the AHF over the last year.

*After Ian's departure, Andy Richardson - the AHF's Investment Manager - undertook the role of Interim CEO for three months, ahead of Matthew's arrival.*

*Matthew McKeague  
Incoming Chief Executive  
from October 2017*

I am a long-time admirer of the role the Architectural Heritage Fund has played in helping communities breathe life back into cherished historic buildings. Reading through this annual report and seeing the many projects supported I am once again impressed at the scale of its reach and impact. I am looking forward to working with the team to expand our work in supporting communities rescue and find new uses for the buildings they value. This is work I passionately believe in, and which AHF has such an impressive history of.

Over the coming year, I will be seeking to build on the excellent work of the team and Ian Morrison. This will include developing new partnerships to help expand our work and to demonstrate how the reuse of historic buildings can meet a range of 21st century challenges - as well as making places more interesting, unique and valued. Important to this will also be ensuring that the impact and relevance of our projects is communicated widely, including to new sectors and organisations. I'm equally looking forward to working with the organisations, building preservation trusts and partners AHF has a long standing relationship with. Although the economic climate is still a challenging one, there are a number of new opportunities for the sector and I am confident that AHF's support and investment can continue to help find inspiring and creative uses for some of the UK's finest buildings.



*From top:  
Ian Morrison  
Matthew McKeague*



**Matthew McKeague**  
Incoming Chief Executive

*Over the coming year, I will be seeking to build on the excellent work of the team... and I am confident that AHF's support and investment can continue to help find inspiring and creative uses for some of the UK's finest buildings.*

# TRUSTEES' REPORT

## Achievements: Progress against our strategy Priority One

### *Growing our loan book and attracting more investment*



The AHF provides loans and other forms of investment (i.e. community share purchases) to not-for-profit organisations in the heritage sector primarily by way of endowment funding which has been built up over a number of years through government grants and private donations. These facilities are available for the purposes of working capital and/or the acquisition of a historic building, 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.

We have now helped communities repair and find productive new uses for over 900 historic buildings at risk with £127m of loans recycled from a lending fund that has grown from £500,000 in 1976 to over £13m in 2017. The projects we support make an outstanding contribution to place-making: improving the appearance of the built environment, creating jobs, skills and economic growth, providing recreation, education and culture, and encouraging people to participate in society – improving their confidence and well-being and securing greater community cohesion.

The extent to which the AHF is able to implement our policies is determined by the level of demand for our services and by the size of our endowment fund. The endowment fund is used for lending; however, it may also incur capital losses on loans or other investments.

Demand for AHF loans currently outstrips supply, and our ability to support heritage projects that contribute to place-making and civil engagement is curtailed as a result. We have seen a steady increase in demand for AHF loans over the last 18 months, which can be attributed to a number of factors, including:

- AHF's increased profile in the community development/business sectors, particularly as a result of our critical support for a number of early demonstrator projects.
- Greater awareness of opportunities for communities to take over the ownership/management of heritage assets (37% of the 677 enquiries handled by the AHF in 2016/17 were for projects that involved the transfer of heritage assets).
- Stimulation and growth of the community business/social enterprise market as a result of initiatives introduced by Government and organisations such as The Power To Change Trust and Heritage Lottery Fund (through its Heritage Enterprise scheme).
- Difficulty obtaining affordable loan finance from other providers as a result of the perceived high-risk nature of historic building restoration projects.

The increase in demand has been compounded by the longer terms of recent AHF loans, following the introduction of a new mortgage-style loan product (reflecting the needs of the sector – see The Heritage Mortgage on page 18).

As a consequence, increasing our lending funds and growing our loan book are important, not only for meeting the demand for affordable finance from communities who wish to repair and adapt historic buildings, but also for ensuring the AHF generates sufficient income from our lending activities to cover our operational costs, subsidise our grant budgets, and sustain our charitable activities moving forward. We have set ourselves a target of growing our loan book by 50% and increasing the size of our endowment fund by £4,450,000 (42%) over the strategic plan period 2016-19.



In accordance with our policy of promoting the sustainable preservation of historic buildings and acting as a lender of last resort, 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 total loans outstanding which have not been included in the specific provision).

During 2016/17, 17 loan offers were made to organisations across the UK – to borrowers both new to the AHF, and existing – totalling over £2.44m (£1.85m to new borrowers and £0.59m in extensions to existing borrowers).

The total amount of AHF managed capital funds for lending in the UK = £13,535,315, comprising:

- Unrestricted designated lending fund of £1,893,219; and
- Endowment funding restricted by source of £11,642,096

Of the endowment funding of £11,642,096, £500,000 is held as property and £435,000 as community shares, and £907,004 is set aside for bad debt provision.

At the end of March 2017, the aggregated loan portfolio showed a drawn balance of £7,662,654 across 33 unique borrowers, with a further £2,294,200 committed but not yet disbursed. Given our current lending commitments of £9,881,106 as of 31 March 2017 the AHF had £1,736,457 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.

## Performance of loan book

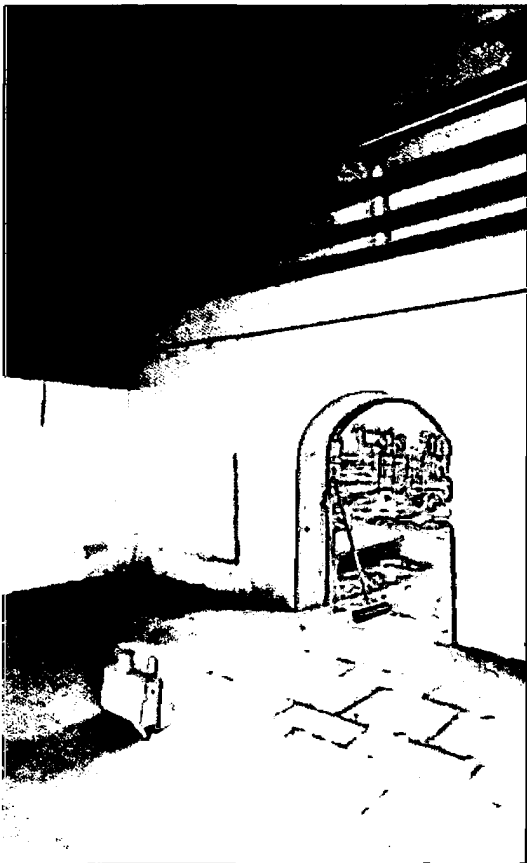
During 2015 a Portfolio Management System (PMS) was introduced to provide a more structured monitoring process of the AHF's existing loans. All borrowers are now routinely contacted every quarter to provide performance data required under the terms of the loan agreements. The PMS also includes a traffic light system to categorise loans by risk of default. The status (as of 31 March 2017) of the loan book is as follows:

**Table 1 / Current status of the loan book**

Category	Description	Risk of default	Percentage of loan book
<b>Undrawn</b>	Loans offered but not disbursed	Low	<b>26%</b>
<b>Green</b>	Loans disbursed Payments made on schedule and Balance sheet and cash flow forecasts show no concern	Low	<b>41%</b>
<b>Amber</b>	Loans disbursed Payments deferred and/or Balance sheet and cash flow forecasts show signs of concern	Medium	<b>16%</b>
<b>Red</b>	Loans disbursed Payments missed and Balance sheet and cash flow forecasts show signs of weakness	High	<b>3%</b>
<b>Non-performing</b>	Loans disbursed Loan unlikely to be repaid in full Bad debt provision made for a proportion of the outstanding loans	High	<b>14%</b>

*From top:*  
Dunoon Burgh Hall, Argyll and Bute  
South London Theatre, South Norwood





Following the significant expansion of our grants budget in England as a result of a three year funding settlement from the DCMS from 2016-19, we successfully negotiated continuing financial support for our grant programmes in Scotland up until March 2020. We were also delighted to receive confirmation of financial support from The Garfield Weston Foundation, The Pilgrim Trust, the Northern Ireland Department for Communities and Cadw, which has allowed us to expand our grant programmes in Northern Ireland (to March 2019) and in Wales (to March 2020). Full details of new investment for our grant programmes is set out in the table below. We will be introducing also a new community development grants programme in Scotland during 2017.

Grants budget 2015-16 = £375,000  
 Grants budget 2016-17 = £1,110,000  
 Grants Budget 2017-18 = £1,450,000

### 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.

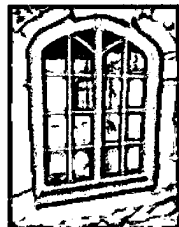
The AHF was pleased to assist SBPT in this way. During 2016-17 an application from the Scottish Veteran's Garden City Association (trading as 'Houses for Heroes') for the fund was approved, and work should be starting on site shortly to restore the lodge as a home for a veteran.

We hope the SBPT Legacy Fund has 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. One other Trust has come forward during the year to donate some of its funds to the AHF for future use in Wales.



Table 2 /Confirmed grants received by the AHF over the last year

Date	Grant Provider	Purpose	Grant awarded
2016/17 - 2018/19	Department for Culture, Media and Sport	3-year funding agreement for four Support Officers and project viability and development grants in England	£3,120,245
2016/17 - 2018/19	Historic England	3-year funding agreement for four Support Officers in England	£196,085
2017/18 - 2019/20	Historic England	3-year funding agreement for project viability and development grants in England and for a Business Development Officer	£422,275
2017/18 - 2019/20	Historic Environment Scotland	3-year funding agreement for a Support Officer and project viability and development grants in Scotland.	£552,000
2017/18 - 2019/20	Historic Environment Scotland	3-year funding agreement for a new Scottish Communities Development Fund grant programme in Scotland	£600,000
2016/17 - 2018/19	The Pilgrim Trust	3-year funding agreement for two Support Officers and project viability and development grants in Wales and Northern Ireland	£140,378
2016/17 - 2018/19	Garfield Weston Foundation	3-year funding agreement for a Support Officer and project viability and development grants in Wales (in partnership with The Pilgrim Trust above)	£150,000
2016/17 - 2017/18	Department for Communities in N. Ireland	2-year funding agreement for Support Officer and project viability and development grants in Northern Ireland (in partnership with The Pilgrim Trust above)	£75,000
2017/18	Cadw	Contribution towards AHF activities in Wales (in partnership with The Pilgrim Trust and Garfield Weston Foundation above)	£28,000
2017/18	Welsh Government	One-off contribution towards a business review of Llanelly House, Llanelly, Wales	£9,960
<b>Total</b>			<b>£5,293,943</b>



### Heritage Impact Fund (HIF)

The HIF initiative represents a significant opportunity for the AHF to support a greater number of enterprising projects, which due to the ongoing pressures upon our lending funds we are currently unable to do to the extent we would like.

Over the last 18 months, we have been working with potential partners to create a new lending fund of around £7.5m. It will operate for at least seven years and be made available to community businesses and social ventures who wish to base their activity in historic buildings they value. The benefits of the HIF initiative to our sector partners are numerous:

- it will result in a significant increase in place-making ventures and social outcomes delivered, measured against the AHF's social outcomes framework;
- it establishes a replicable, portable model or blueprint for allowing investors, be they philanthropists, central Government, statutory bodies or other social investors, to contribute to any similar, viable and sustainable loan fund value, such as those supported by Heritage Lottery Fund's Heritage Enterprise programme;
- it enables the AHF to reach and assist a greater number of projects, building more enterprising activity into the heritage sector and reducing dependency on sector grants;
- the HIF will further strengthen links between sector partners such as Power To Change, HES and HE, and will introduce significant investment from external sources to the sector which otherwise would not be available.

We hope to make progress with the HIF over the coming year.

○  
New £7.5m lending fund  
for community businesses  
and social ventures

Table 3 / Enquiries by type of building

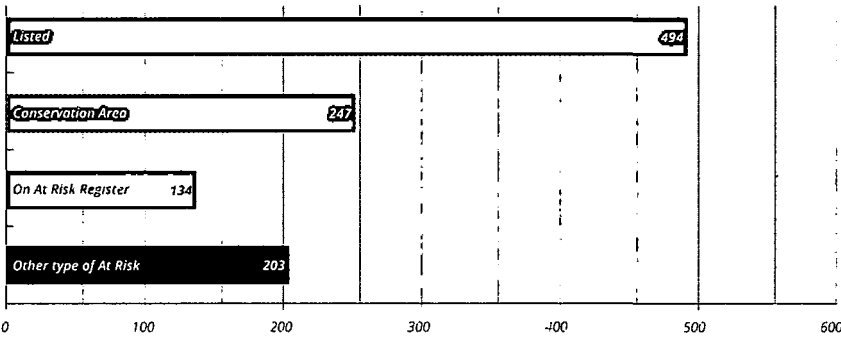


Table 4 / Enquiries by client status

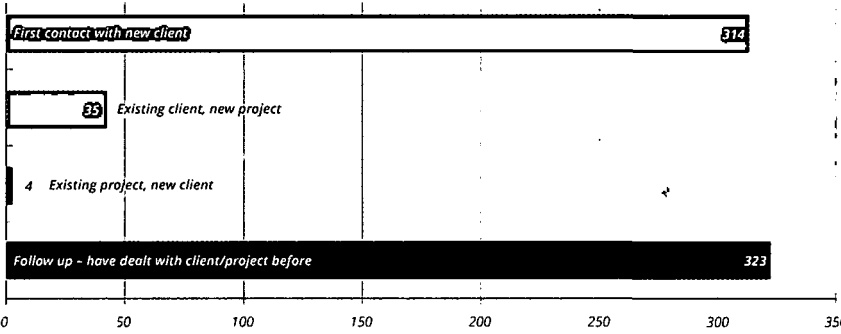
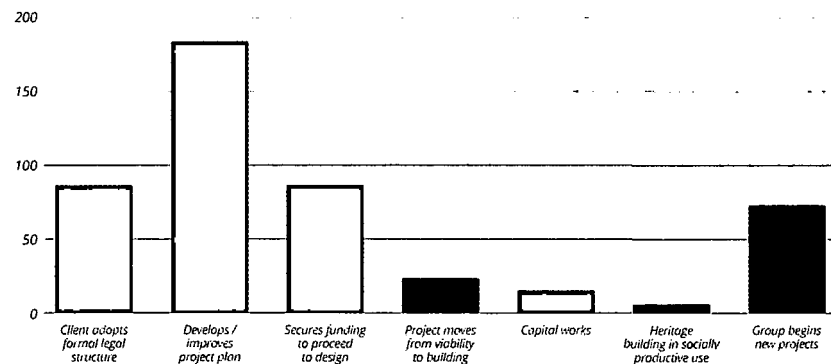


Table 5 / Theory of Change project journey



Clockwise from left:  
 Lower Lodge Gateway Project, Ashton Court, Bristol  
 Stretford Public Hall, Stretford, Manchester  
 The Assay Office, King Edward Mine Camborne, Cornwall

However, we also received a significant number of enquiries from organisations that had already successfully delivered at least one project and are 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 finance (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 37% of queries relate to projects involving a potential asset transfer, a slight increase from last year.

Of particular interest is the significant increase in the percentage of projects that are seeking to bring community businesses into repaired historic buildings – 43% as opposed to 33% in 2015/16. It is too early to draw any definitive conclusions, but the indications are that communities are recognising the need to find income generating uses for historic buildings as grant-subsidy becomes more scarce. This again reflects the AHF's ambition to promote enterprise across the heritage sector as a means of securing more beneficial social outcomes and achieving greater resilience in the face of austerity.



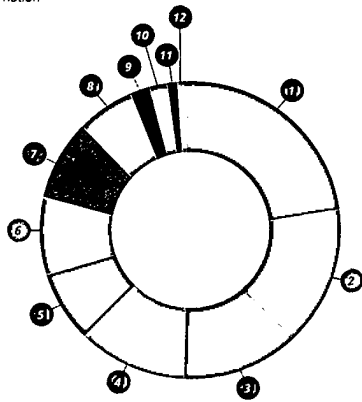
*Clockwise from above:*  
 Sireford Public Hall, Sireford, Manchester  
 Kirkmichael, Dingswall, Highland / Photography © Jim McKay  
 Campbelltown Picture House, Campbelltown  
 Lower Lodge Gateway Project, Ashton Court, Bristol  
 / Photography © Josephine Brown Photography

It is still early days but our client data indicates that interest in heritage by community enterprises is growing, partly as a response to 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.

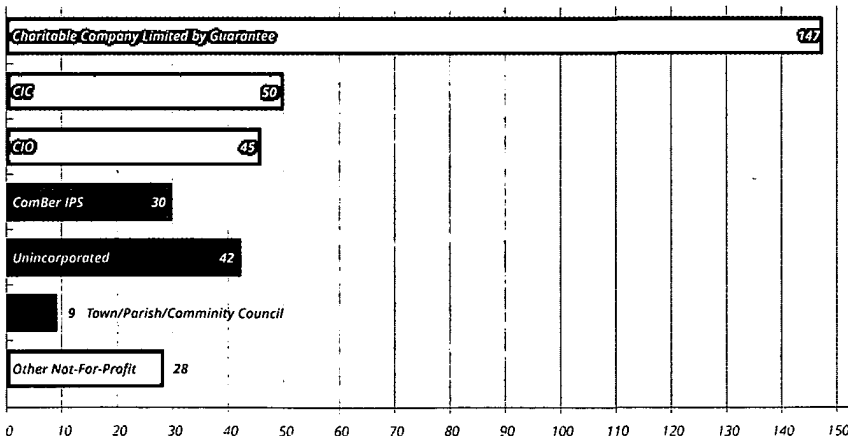
Over the course of the year the AHF also took a more interventionist role with some of our borrowers, providing critical business improvement advice and support. With financial assistance from the Welsh Government, we facilitated a business review of Llanelly House, Llanelli, Wales and helped negotiate and implement a business turnaround plan. The need for a business support service is becoming increasingly apparent to the AHF, as we are encountering a number of high profile heritage organisations which are struggling to survive in the current economic climate; something that could significantly impact on the confidence of the sector and the enthusiasm of trustees, staff and volunteers if they failed. Therefore, the AHF is currently in discussion with the Heritage Lottery Fund and others regarding the potential to develop a business support service, akin to the Lifeboat Service offered by Locality but developed specifically for the heritage sector, that will help rescue failing community heritage businesses, safeguard significant public sector investment, and ensure the continuation of important beneficial project outputs. It is estimated that such a service could help safeguard in the region of £120-140m of public sector investment.

**Table 6 / AHF supported projects by region or nation**

- 11 22.49% / England / South West
- 2 15.83% / Scotland
- 3 11.39% / England / South East
- 4 11.09% / England / North West
- 5 7.69% / England / West Midlands
- 6 7.54% / England / East
- 7 7.25% / England / East Midlands
- 8 6.95% / England / Yorkshire S Humber
- 9 3.7% / England / London
- 10 2.81% / England / North East
- 11 1.63% / Northern Ireland
- 12 1.63% / Wales



**Table 7 / AHF supported project by type of client**





**Clockwise from left:**  
 Bowdsey Radar Station, Suffolk  
 The Duke of Marlborough, Suffolk  
 Dunoon Burgh Hall, Argyll and Bute  
 Kirtznichael, Dingwall, Highland / Photography © Jim McKay

We have also continued to monitor the leverage of the AHF's financial commitments. Since 2000, 308 projects have now been completed as a result of AHF investment of £4.1m of grants and £48.8m of loans, leveraging in over £436m from other sources, including £173m from the Lottery and £178m from trusts, foundations and commercial investment.

Looking ahead, we intend to make better use of social media marketing and opportunities to showcase the positive changes brought about as a direct result of heritage projects. A new Marketing and Communications Committee will be established to consider the AHF's media and marketing strategy and approach to building a strong organisational brand.

**3,268**

Twitter followers

**12,000+**

unique website visitors, with over 40,000 page views recorded

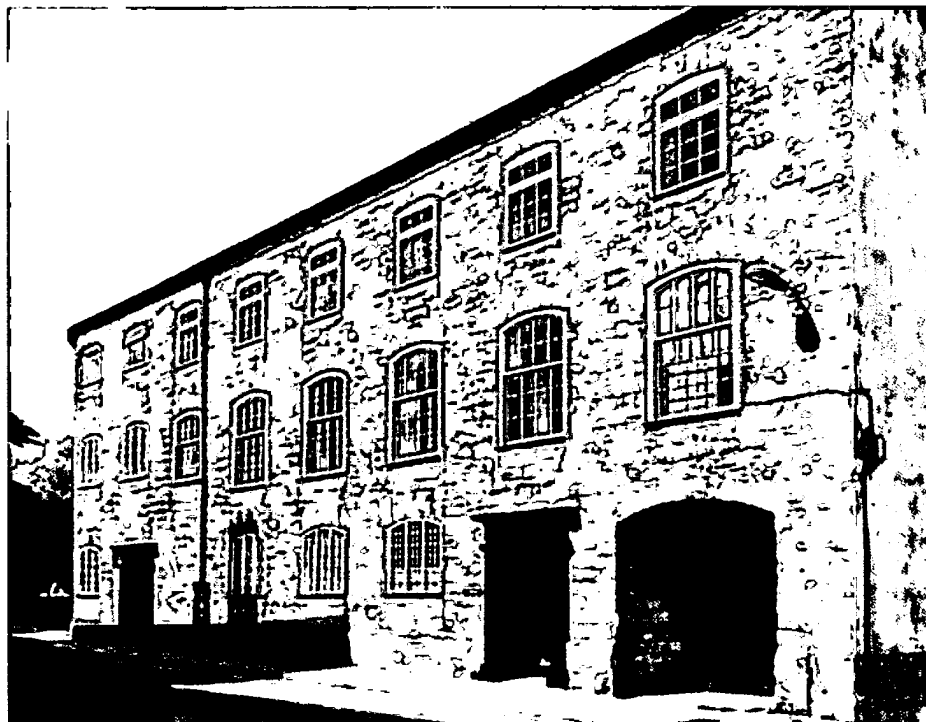
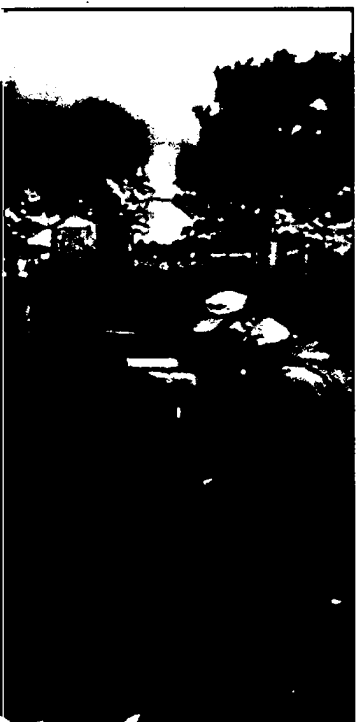
In addition, RIBA has commissioned the AHF to produce a manuscript for a book that provides a series of fully illustrated case studies, thematically grouped, that explain in detail how historic buildings across the UK have been brought back to life as a result of AHF support and through the technical skills, creativity and sensitivity of architects. Collectively, these exemplar projects will demonstrate the value to society of re-using historic buildings and will inspire a new generation of architects to get involved with community heritage projects at a time of great opportunity. RIBA will cover the cost of the publication of the book and the AHF will receive 10% royalties of all sales, split equally with the commissioned author.



We have also introduced new protocols for the appointment of staff and trustees that take account of the skills required to run our organisation effectively and efficiently and deliver our strategic objectives. During 2016/17 we were delighted to welcome three new trustees to our Board who together bring a wealth of skills and experience that are necessary to ensure we can deliver our strategy effectively and efficiently.

We have established a new Credit Panel to ensure the decisions we make on loans and social investments are as well informed as possible.

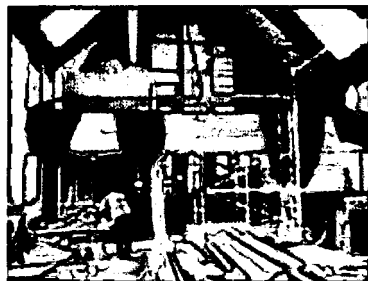
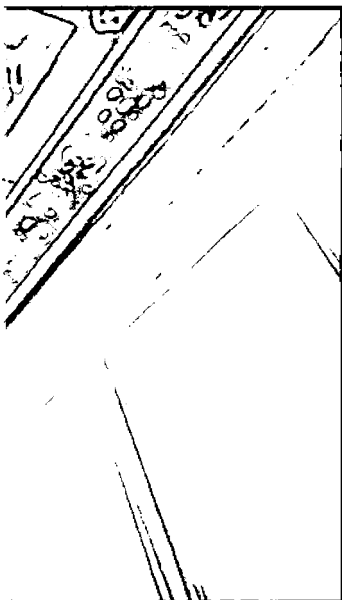
*Clockwise from below:  
Thomas Whitey House, Axminster  
Kirkmichael, Dingwall, Highland / Photography © Jim McKay  
Faversham Assembly Rooms, Faversham  
Llanelly House, Llanelli*





It is vitally important that the increasing diversity in the general architectural profession is replicated in the practice of specialised heritage conservation, particularly as a significant proportion of architectural services are focused on repairs to, and the adaptation of the historic building stock. Lack of diversity is one of the greatest challenges facing the heritage sector, and there is a need to find ways in which student and recently graduated architects, from BAME groups in particular, can be encouraged to think about a career in heritage.

To encourage greater engagement by young professionals, particularly those from a diverse background, with community-led heritage projects, the AHF in collaboration with RIBA, the Society for the Protection of Ancient Buildings and the Baroness Warsi Foundation developed a proposal for a bursary scheme. The target was to offer 200 bursaries each year of between £300 and £600. Despite initial encouragement from the Department for Culture, Media and Sport, our request for government funding to support the bursary scheme was unsuccessful. A resubmission is likely later this year.



*Clockwise from left:*  
 Riddle's Court, Edinburgh  
 Dunoon Burgh Hall, Argyll and Bute  
 Stretford Public Hall, Stretford, Manchester  
 Dunoon Burgh Hall, Argyll and Bute

# CASE STUDIES

England | Wales | Scotland | Northern Ireland

Once again, this year's Annual Report showcases a number of projects from the four corners of the United Kingdom. From the grandeur of Wentworth Woodhouse, supported by central Government and national funders, to the locally-rooted, community-backed Stretford Public Hall and Duke of Marlborough pub, the AHF continues to assist all manner and scale of heritage projects. The growth of community enterprises continues apace, particularly in locations still experiencing the effects of the economic downturn, and the stories behind projects such as 10 The Circle and Merkinch Welfare Hall, among others, reveal the determination of local people to secure and provide services and resources for the benefit of their communities. Completed projects of the significance of Turner's House and Riddle's Court, offer encouragement and a potential roadmap to more nascent projects such as An Seán Eaglais. The AHF is proud to support the resilience and enthusiasm of these community-led organisations.

## Funding key

- OAG** | Options Appraisal Grant
- PDG** | Project Development Grant
- PVG** | Project Viability Grant
- CSG** | Cold Spots Grant
- CFG** | Challenge Fund Grant

## Case studies

### England

- 1 | p32 | Bawdsey Radar Station, Suffolk
- 2 | p33 | Faversham Assembly Rooms, Kent
- 3 | p34 | The Trinity Centre, Bristol
- 4 | p36 | Turner's House, Twickenham
- 5 | p38 | The Duke of Marlborough, Suffolk
- 6 | p39 | The Assay Office, King Edward Mine, Camborne
- 7 | p41 | Stretford Public Hall, Manchester
- 8 | p42 | Old Toll House, Stratford-upon-Avon
- 9 | p44 | Lower Lodge Gateway, Bristol
- 10 | p46 | Weavers' Cottages, Kidderminster
- 11 | p49 | Wentworth Woodhouse, Rotherham
- 12 | p50 | Westbrook House, Alton, Hampshire

### Wales

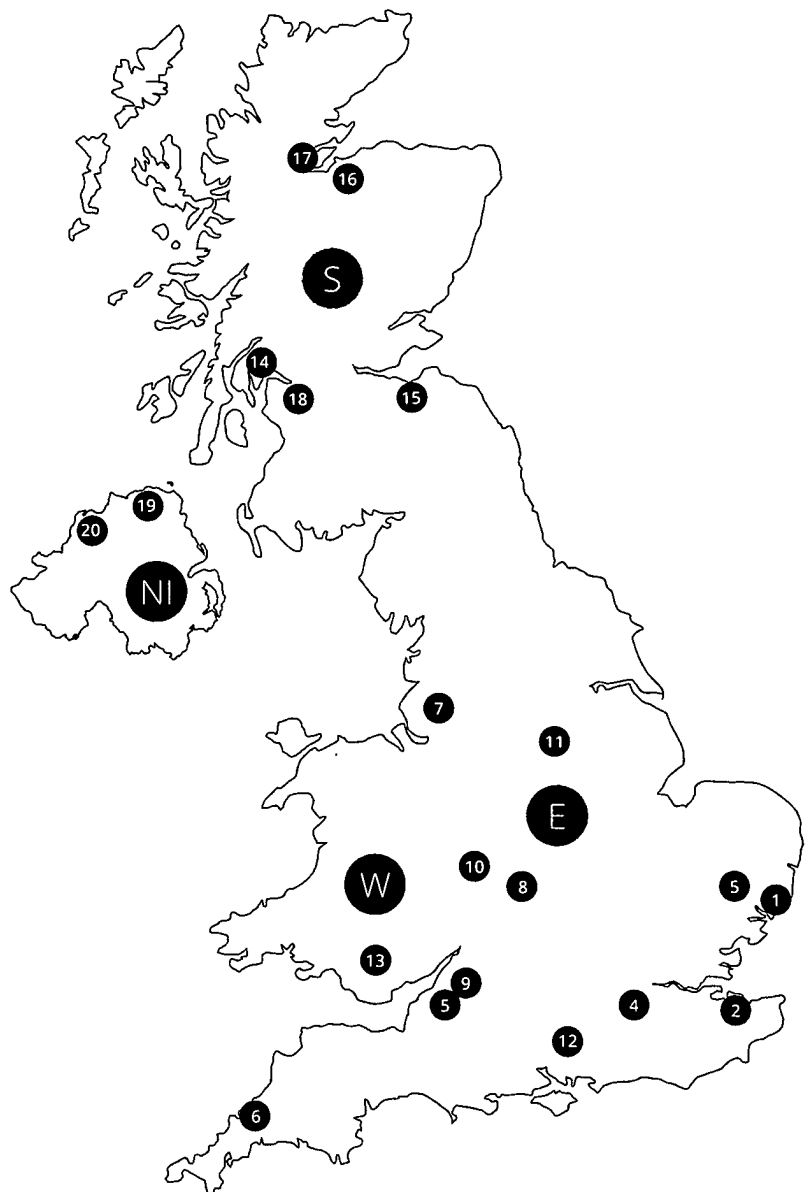
- 13 | p51 | 10 The Circle, Tredegar

### Scotland

- 14 | p53 | Dunoon Burgh Hall,
- 15 | p54 | Riddle's Court, Edinburgh
- 16 | p57 | Merkinch Welfare Hall, Inverness
- 17 | p58 | Kirkmichael, Dingwall, Highland
- 18 | p60 | The Russell Institute, Paisley

### Northern Ireland

- 19 | p61 | Bushmills Courthouse, Bushmills
- 20 | p62 | An Seán Eaglais (The Old Church), Derry





# FAVERSHAM ASSEMBLY ROOMS

Faversham, Kent | England

Faversham Building Preservation Trust | [www.favershamassemblyrooms.org.uk](http://www.favershamassemblyrooms.org.uk)

**Status**

Grade II - Faversham Town Centre Conservation Area

At Risk Register?

No

**AHF Funding:**

2011: Loan: £210,000

Faversham Assembly Rooms were built in 1849 and replaced a suite of rooms on the present site which had been destroyed by fire in 1848. Assembly rooms became popular in the 17th century. They were private ventures supported by subscribers, aimed at a society that was becoming more sophisticated and required a social meeting space. The Assembly Rooms had a short life-span. In 1862 the new Faversham Institute was built, replacing the Assembly Rooms as the principal function space. In 1869 the Assembly Rooms were hired to the Volunteers – the counterpart of today's Territorial Army – and have remained in military use since. In 2010 the Faversham Buildings Preservation Trust was formed and bought the Faversham Assembly Rooms from the Ministry of Defence. The purchase was made possible with the help of a substantial loan from the Architectural Heritage Fund and the site was transferred to the Trust's ownership at the end of April 2011. The loan provided working capital throughout the restoration project and was the first instance in which a longer repayment term was considered. This allowed the Trust to refurbish and sell a residential property to the rear of the site, facilitating partial repayment. In 2016 a major fire in the neighbouring building spread to the rear of the Hall, and only prompt action by the Fire Service averted disaster. Thankfully reinstatement has been completed and the venue can now function as the performing arts venue and community facility originally envisaged by the Trust.

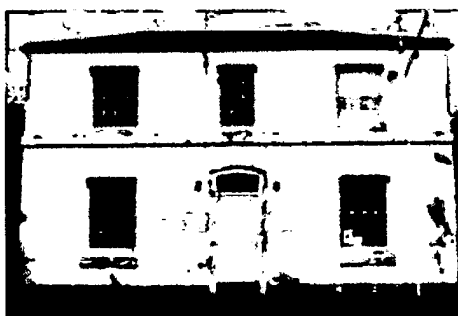
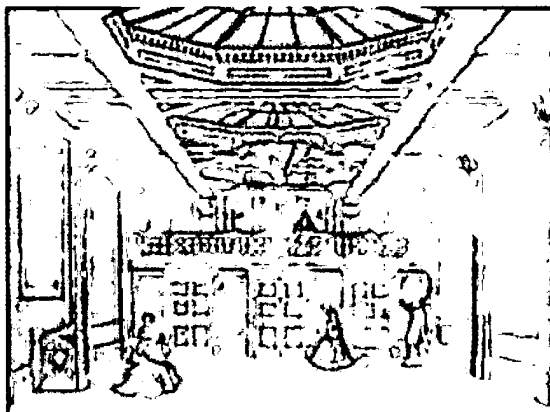
**PROFESSIONAL TEAM**

Architect:  
**Donald Inshall Associates**  
 Interior Design:  
**Nick Auston Design**  
 Construction:  
**Parry / Page Projects**  
 Quantity Surveyor:  
**Rider Levett Bucknall**  
 Structural Engineer:  
**Edward Morton Partnership**

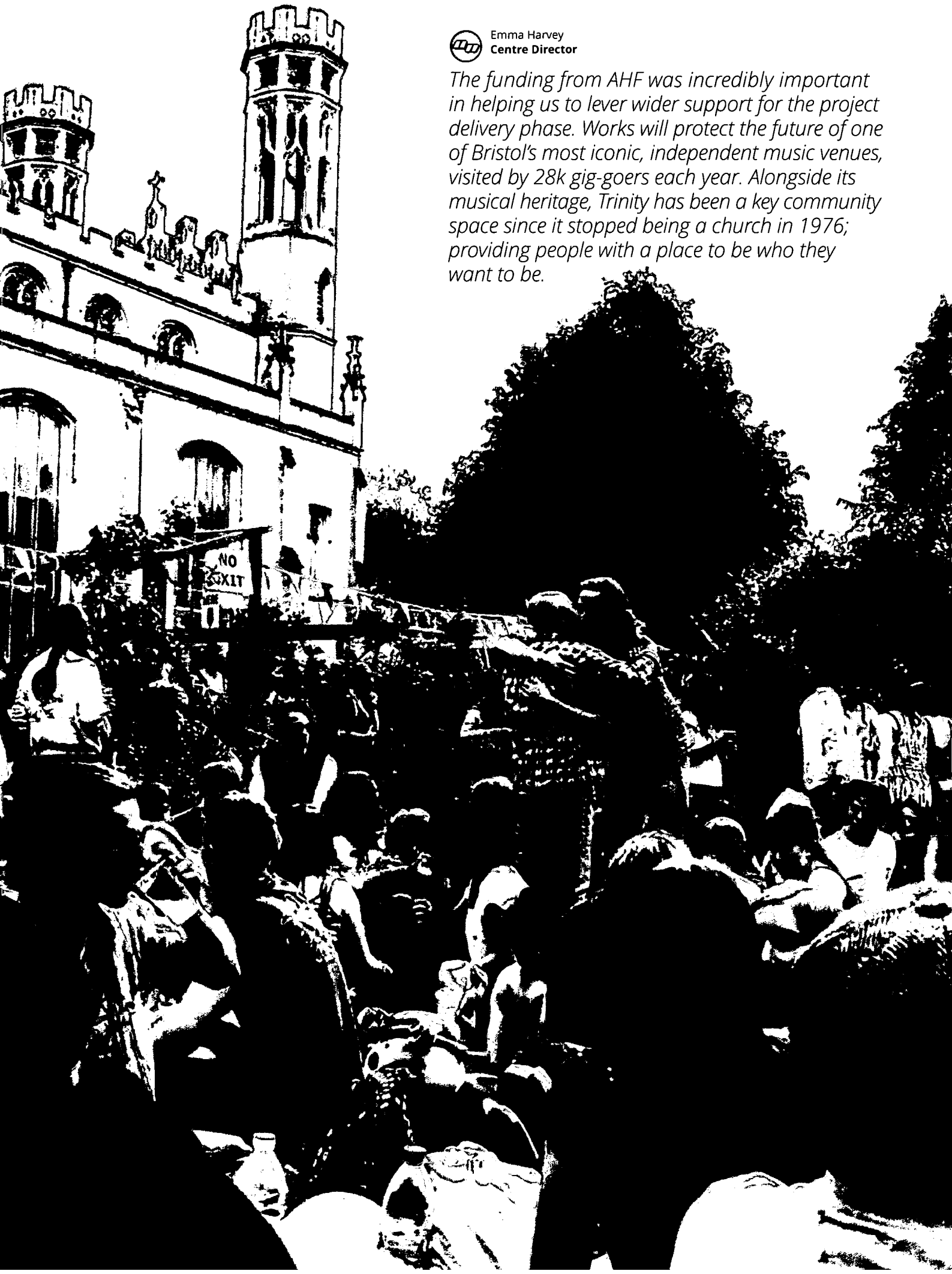
**OTHER PROJECT FUNDERS**

Sir John Swire 1989 Trust  
 The Overstone Fund  
 Queenborough Fishery Trust  
 Faversham Town Council  
 Swale Borough Council  
 Biffa Communities Fund  
 Brett Aggregates  
 Kent County Council

<b>Total</b>	<b>100,000</b>
--------------	----------------



Left:  
 Adjacent cottage, now in residential use



Emma Harvey  
Centre Director

*The funding from AHF was incredibly important in helping us to lever wider support for the project delivery phase. Works will protect the future of one of Bristol's most iconic, independent music venues, visited by 28k gig-goers each year. Alongside its musical heritage, Trinity has been a key community space since it stopped being a church in 1976; providing people with a place to be who they want to be.*

# TURNER'S HOUSE

Twickenham | England

Turner's House Trust | [www.turnerintwickenham.org.uk](http://www.turnerintwickenham.org.uk)

## Status

Grade II\*

At Risk Register?

Historic England- Heritage at Risk Register

- Priority Category F

## AHF Funding:

2012: OAG: £7,400

2014: PDG: £15,000

2016-17: CFG: £141,000

2015: Loan: £150,000 offered

Sandycombe Lodge was designed by the artist JMW Turner and built in 1813 as a country retreat. Following Turner's death in 1826, the house passed through the hands of several different owners. It was used as a secret factory for the manufacture of airmen's goggles during the Second World War, before being purchased in a run down state by Professor Livermore in 1947 in order to save it from demolition. The Professor lived in the property until his death in 2010, when he bequeathed it to the Trust (then Sandycombe Lodge Trust) which he had established in 2005, together with a library and a small collection of prints and drawings by Turner and other contemporary artists.

The aim of Turner's House Trust was to restore Sandycombe Lodge's appearance as designed and lived in by Turner and to present the house and its collection as a heritage attraction and educational resource. The Architectural Heritage Fund has provided funding at various stages of the project, including, a Challenge Fund grant funded by the Andrew Lloyd Webber Challenge Fund and Historic England. An AHF loan was offered in 2015 to cover a potential funding shortfall, allowing Permission to Start to be given whilst the Trust sought further funding. Further responses from funders allowed the Trust to ask the AHF to withdraw its offer by the time contractors started work on site. In January 2016 the project was featured in the *New York Times*, 'An Effort to Save J.M.W. Turner's Country House', demonstrating the international interest in this important building.

## PROFESSIONAL TEAM

Architect:

**Butler Hegarty Architects**

Consulting Engineers:

**Hockley & Dawson**

Quantity Surveyor:

**Sawyer & Fisher**

Project Management:

**Glevum Consulting Ltd**

Contractors:

**Fullers (Builders) Ltd**

## OTHER PROJECT FUNDERS £

HLF	1,435,300
Donations/Legacies <i>(inc. Gift aid)</i>	164,033
Country Houses Foundation	75,000
Foyle Foundation	50,000
Sackler Foundation	50,000
Mercers' Charitable Foundation	50,000
Friends of Turner's House	33,020
Pilgrim Trust	15,000
Other	281,496

<b>Total investment</b>	<b>2,153,849</b>
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Left / Photography © Daniel Rose Photography  
Images far left, top left, top right, and main / Photography  
© Anne Purkiss Photography

# THE ASSAY OFFICE, KING EDWARD MINE

Camborne, Cornwall | England

King Edward Mine Ltd | (Mine) [www.kingedwardmine.co.uk](http://www.kingedwardmine.co.uk) / (Cafe) [www.thecrousthut.co.uk](http://www.thecrousthut.co.uk)

Status

Grade II\*

At Risk Register?

Historic England Heritage at Risk – Priority D

AHF Funding:

2012: CFG: £200,000

King Edward Mine is situated two miles from Camborne in Cornwall. It is the oldest, best preserved mine within the Cornish Mining World Heritage Site and demonstrates key authentic aspects of the Cornish mining industry, including the most complete collection of 20th century tin dressing plant in the world, much of which has been restored by volunteers to working order. The site includes 16 Grade II\* Listed buildings, three of which are on the Heritage At Risk Register. The ambition is to reposition King Edward Mine as the 'gateway' to the Great Flat Lode historic mining landscape, enticing more leisure visitors to this deprived area of Cornwall and increasing income generation at the mine to improve the site's long-term sustainability.

The project to restore the site has been delivered in two phases. The first phase was completed in October 2015 and the second phase was completed in April 2017. The second phase included the conversion of the Assay Office into a cafe. This was a derelict building on the Heritage At Risk Register but was ideally located as a cafe, being near to the Great Flat Lode Mineral Tramway Trail. Conversion of the building was supported by the Architectural Heritage Fund which was instrumental in strengthening funding bids to other charitable bodies. The new café – The Croust Hut – has created local employment in one of Cornwall's most deprived areas and the ambition is to grow visitor numbers from 5,500 to 10,000 over the next few years.

## PROFESSIONAL TEAM

Design Team:

**pdp Green Consulting**

Heritage Advisor:

**Colin Buck, Cornwall Archaeological Trust**

Quantity Surveyor:

**Trevor Humphreys Associates**

Project Manager:

**Trevor Humphreys Associates**

Building Contractor:

**Cathedral Builders**

## OTHER PROJECT FUNDERS

OTHER PROJECT FUNDERS	£
HLF development grant	55,100
HLF delivery grant	1,121,400
Cornwall Council	200,000
Headley Trust	45,000
LEADER	18,998
Cornwall Heritage Trust	5,000
Carew Pole Charitable Trust	5,000

<b>Total investment</b>	<b>1,450,498</b>
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Clockwise from top left:

Top left / © R Marshall

Top right / © Tamara Smith Photography

Above centre / © Josephine Brown

Above / © Colin Buck Photography

# STRETFORD PUBLIC HALL

Stretford, Manchester | England  
 Friends of Stretford Public Hall | [www.stretfordpublichall.org.uk](http://www.stretfordpublichall.org.uk)

**Status**  
 Grade II Listed  
 At Risk Register?  
 No

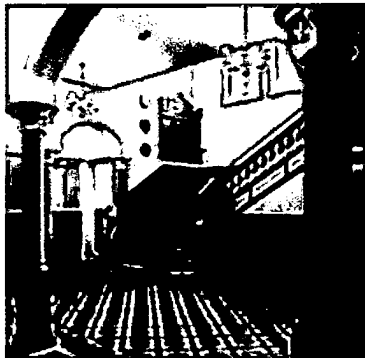
**AHF Funding:**  
 2016: PDG: £20,000  
 2017: PDG: £5,000

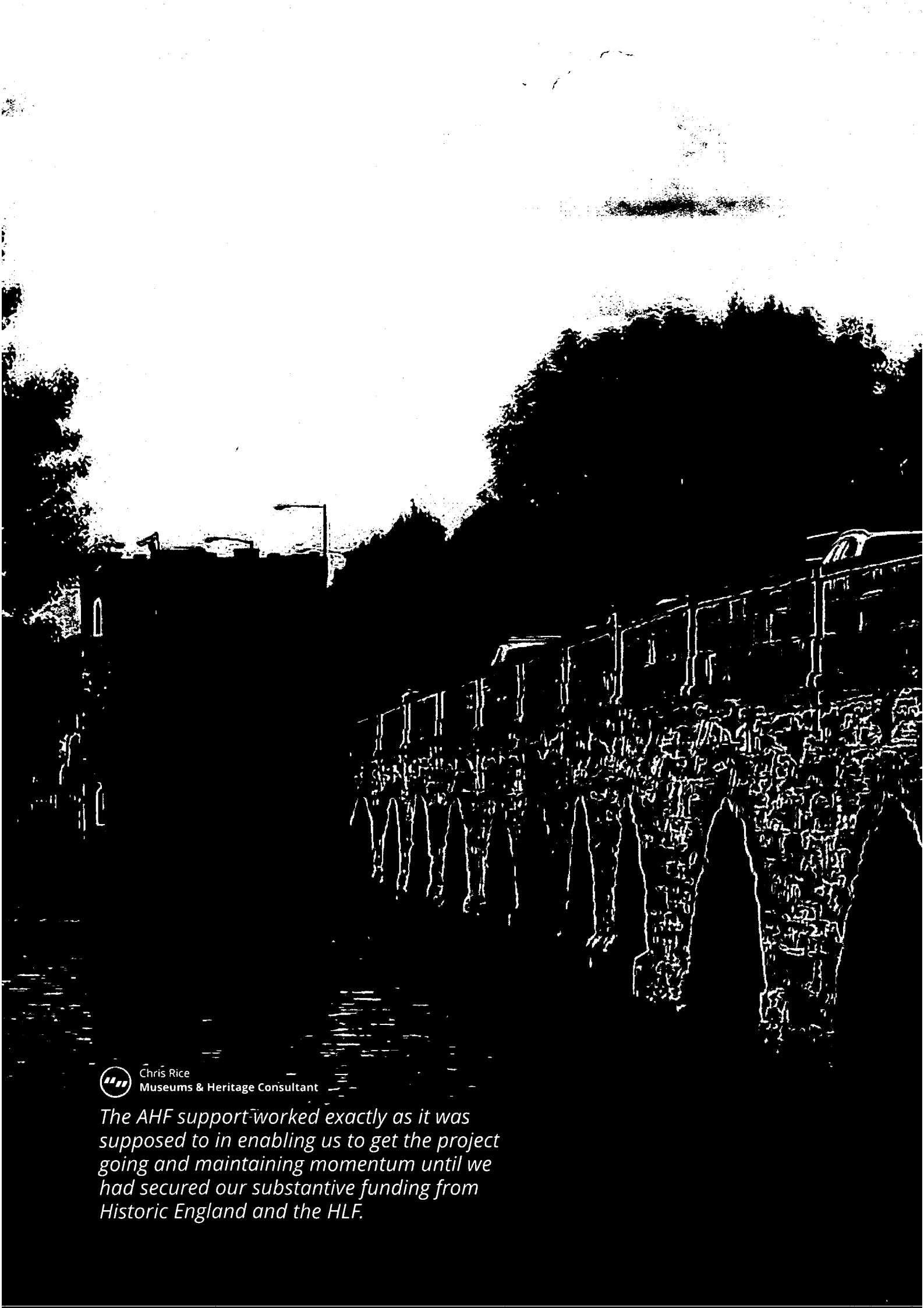
Stretford Public Hall was commissioned by John Rylands, a local philanthropist and entrepreneur, who made his fortune in the cotton industry. It opened in 1879, and was used for public meetings and community events. A library was opened in part of the Hall in 1883. It was home to the Stretford Children's Theatre in the 1950s -70s. In 1978 it hosted one of the first 'rock against racism' concerts with early career performances from The Fall and John Cooper Clarke. The building was transferred to the Friends of Stretford Public Hall under a limited title guarantee from Trafford Borough Council in November 2015. The Charitable Community Benefit Society was formed with the aim of preserving the building for the community and establishing a range of uses that would continue its history as a space for local creativity and congregation.

The Architectural Heritage Fund provided a Project Development Grant which helped fund a Project Organiser and professional fees, and a further grant in April 2017 to purchase community shares. The refurbishment of the Public Hall will be completed by the end of 2017, although the hall is now partially open to the public. Activities include a weekly wellbeing day, community film screenings, the reformed Stretford children's theatre as well as art classes and the Community Choir practices. The Hall also provides affordable work space for local artists in the form of shared studios and co-working space for creatives.

PROFESSIONAL TEAM	
Architect	Stephen McCusker from Loop Systems
Project Organiser:	Simon Borkin
Members of Locality and Coops UK	

OTHER PROJECT FUNDERS	£
Social Investment Business	10,000
Social Investment Business	69,500
Trafford Housing Trust	25,000
Community panel	
Other trusts and foundations (Adactus, Great Places Housing Group)	3,000
Community Economic Development grant	5,000
Heritage Lottery Funding	10,000
Community Shares Booster: Development Grant	10,000
Community Shares Booster: Equity investment	100,000
Trafford Housing Trust	10,000
Community panel	
Community Shares	140,000
<b>Total investment</b>	<b>407,500</b>





Chris Rice  
Museums & Heritage Consultant

*The AHF support worked exactly as it was supposed to in enabling us to get the project going and maintaining momentum until we had secured our substantive funding from Historic England and the HLF.*

# LOWER LODGE GATEWAY PROJECT

Ashton Court, Bristol | England  
 Bristol Buildings Preservation Trust | [www.bristolbuildingspreservationtrust.org.uk](http://www.bristolbuildingspreservationtrust.org.uk)

**Status**  
 Grade II\*  
**At Risk Register?**  
 Historic England Heritage at Risk - Priority D

**AHF Funding:**  
 2010: OAG £5,995  
 2012: PDG £7,500  
 2012: CFG £200,000

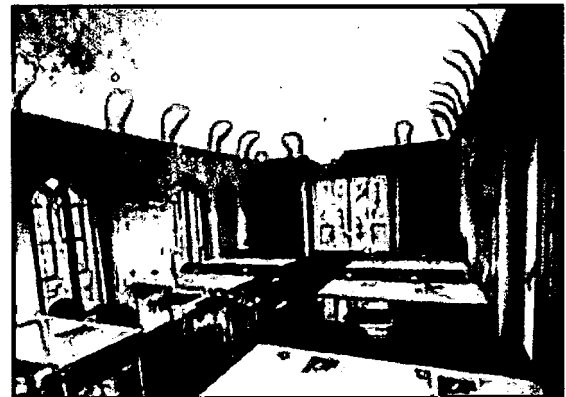
2015: Loan £35,000 offered

Lower Lodge was built in 1805 by Sir John Hugh Smyth as a gatekeeper's lodge for Ashton Court, Bristol. It formed part of Sir John's plans to update Ashton Court as a Gothic Revival showpiece set within a picturesque landscape designed by the landscape designer Humphrey Repton. The estate is now owned by Bristol City Council, is open to the public and includes a deer park, golf course and woodland garden. The lodge has not been used since 1954 and had fallen into an extremely poor state of repair. Proposals for the lodge were formulated in partnership between Bristol City Council, Bristol Buildings Preservation Trust, and pupils from Ashton Park School who planned to restore the lodge as the Bower Ashton Heritage Gateway Centre, a community hub and learning centre to be managed by South West Bristol Cooperative Learning Trust.

The Architectural Heritage Fund has supported the Trust with two separate grants, and a loan was sought to cover the project's working capital requirements; however payments from major funders were received regularly and this was ultimately not required. A grant from the Andrew Lloyd Webber Challenge Fund was awarded to provide working capital and to bridge a project funding gap of £131,384. This award was an important component in supporting the Trust's successful HLF bid. The building opened in January 2017.

PROFESSIONAL TEAM	
Architect:	<b>Ashley Davies, Austin-Smith: Lord Architects</b>
Quantity Surveyor:	<b>Alec Painter, Mildred Howells</b>
Structural Engineer:	<b>Jon Advent, Mann Williams</b>
Project Co-ordinator:	<b>Alastair Brook, Bristol BPT (Vice Chair)</b>

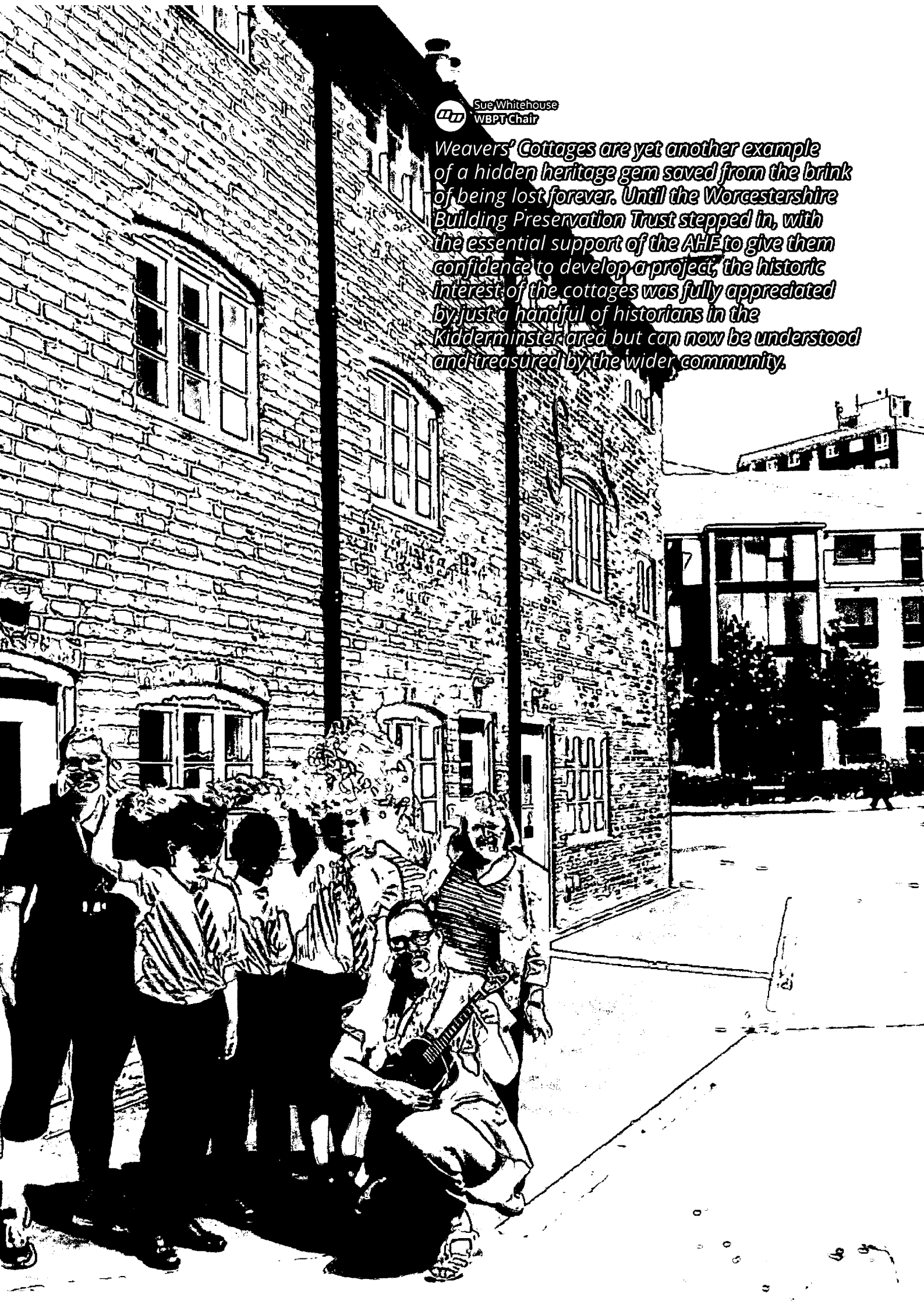
OTHER PROJECT FUNDERS	£
HLF Grant	553,000
Bristol BPT	156,640
Bristol City Council	90,000
Bristol City Council	80,000
Historic England	73,177
Bristol Visual and Environmental Trust	35,000
Maintenance (APS Contribution)	32,250
Ashton Park School	24,500
Fundraising	10,000
Volunteer Time	24,000
<b>Total investment</b>	<b>1,078,567</b>





Sue Whitehouse  
WBPT Chair

*Weavers' Cottages are yet another example of a hidden heritage gem saved from the brink of being lost forever. Until the Worcestershire Building Preservation Trust stepped in, with the essential support of the AHE to give them confidence to develop a project, the historic interest of the cottages was fully appreciated by just a handful of historians in the Kidderminster area but can now be understood and treasured by the wider community.*





# WENTWORTH WOODHOUSE

Rotherham, South Yorkshire | England  
 Wentworth Woodhouse Preservation Trust | [www.wentworthwoodhouse.org.uk](http://www.wentworthwoodhouse.org.uk)

**Status**

Grade I

**At Risk Register?**

Historic England at Risk Register – Priority Category C

**AHF Funding:**

2016: PDG £25,000

Wentworth Woodhouse is located in South Yorkshire and is one of the largest houses in England. Built in the Baroque and Palladian styles, its tremendous size adds to its significance. With a 600 foot wide Palladian east frontage, it is claimed to be the longest frontage in Europe. The quality of the craft work is demonstrated in the architect and craftsman roll call, which features names such as Henry Flitcroft, John Carr, James Stuart, James Gibbs, Joseph Nollekens and John Fisher.

The Wentworth Woodhouse Preservation Trust approached the Department of Culture Media and Sport in 2014 with a request for funding to support the repair and restoration of the house as it was at risk of being lost to the nation. The house requires emergency repair as a result of subsidence caused by historic open cast coal mining and a lack of sufficient maintenance investment. In Autumn 2016, the Chancellor of the Exchequer announced in the Budget that a first phase emergency grant of £7.6 million would be awarded to the Trust. The Trust has developed a business plan which provides for the restoration of the fabric of the building so that it can be open to the public and also provide a venue for events. Later stages of the development will create business units within the stable block and short-term lease accommodation units within the main house. The full scheme is expected to take 15 years to complete.

**PROFESSIONAL TEAM**

Cost Consultants:  
**Rex Proctor and Partners**  
 Architects:  
**Purcell**

**OTHER PROJECT FUNDERS    £**

<i>Purchase funding</i>	
DCMS	7,600,000
National Heritage Memorial Fund	3,575,000
The Monument Trust	2,200,000
The Art Fund	200,000
The JP Getty Jnr Charitable Trust	500,000
Sir Siegmund Warburg's Voluntary Settlement	500,000
Other contributions	155,000
<i>Operational funding</i>	
Heritage Lottery Fund	222,700
Other contributions	161,750

<b>Total investment</b>	<b>15,114,450</b>
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# 10 THE CIRCLE

Tredegar, Blaenau Gwent | Wales  
 Time Banking Wales | [www.timebankingwales.org.uk](http://www.timebankingwales.org.uk)

Status  
 Unlisted, in conservation area  
 At Risk Register?  
 No

AHF Funding:  
 2016: PDG: £5,000

No.10 The Circle is a modest building in the centre of Tredegar, built in the later 19th century, it is of typical random-rubble construction. It is located in the historic core of the Tredegar Conservation Area. The building's primary significance is that it was utilised by the Tredegar Medical Aid Society, where for weekly subscriptions the local miners and ironworkers, as well as their dependents, would be entitled to medical provisions free at the point of care. Aneurin Bevan served as a committee member, and when he became Minister for Health in 1947, when creating the National Health Service, he announced 'All I am doing is extending to the entire population the benefits we had in Tredegar for a generation or more. We are going to Tredegar-ise Britain.'

Time Banking Wales acquired the building in 2013 following financial support from South East Wales European Community Economic Fund and the Tudor Trust. The organisation proposes to adapt No.10 The Circle to provide studio and office accommodation available for rent by social enterprise organisations that will generate growth in the local creative industries economy. It is also planned to provide open access to a multi-functional space on the ground floor that can be hired by the public for a variety of uses including meetings, seminars and training sessions. The AHF grant is assisting Time Banking Wales by providing resources for staff members to work additional hours and commission an architect to refine the proposals. This in turn will enable the organisation to raise the necessary funding towards the capital costs estimated to be £350,000.

PROFESSIONAL TEAM	
Architects	Allan Stuckey Architects
Office Manager	Amanda Lewis

OTHER PROJECT FUNDERS	£
Blaenau Gwent County Borough Council	245,000

<b>Total investment</b>	<b>245,000</b>
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*The AHF grant has helped with project development costs especially the staff element.*



# DUNOON BURGH HALL

Argyll and Bute | Scotland  
 Dunoon Burgh Hall Trust | [www.dunoonburghhall.org.uk](http://www.dunoonburghhall.org.uk)

## Status

Listed Category B

At Risk Register?

Buildings at Risk Register for Scotland (removed)

## AHF Funding:

2011-2013: PDG: £23,000

2014: Loan: £175,000

The Burgh Hall in Dunoon was designed by Robert Alexander Bryden and was opened in 1874 to celebrate the conferring of Burgh status on the town. Architecturally it is a fine example of those buildings constructed by local authorities in the second half of the 19th century. For a period, Dunoon Burgh Hall was the only theatre in Argyll and as such was a centre of social activity. The main hall was closed in the 1960s and fell into disrepair, which consequently saw it placed on the Buildings at Risk Register for Scotland. From 2008, the Hall was in the ownership of the John McAslan Family Trust, which in 2013 transferred ownership to the Dunoon Burgh Hall Trust. The restored Burgh Hall has now opened as a community-run arts and cultural venue.

The Architectural Heritage Fund's Project Development Grant allowed the Trust to appoint a Project Manager and was critical to enabling major funding bids to be developed. In addition to marking Dunoon on the cultural map and providing a creative hub for the community, the Burgh Hall's renovation has provided employment and volunteering opportunities in the area. The first event following the Hall's completion in June 2017 was an exhibition of Andy Warhol's work as part of the Tate and National Galleries of Scotland's ARTIST ROOMS project supported by The Art Fund.

## PROFESSIONAL TEAM

Architect:

**Page and Park**

Quantity Surveyor:

**Doig and Smith**

Structural Engineer:

**David Narro Associates**

M&E Contractor:

**Harley Haddow**

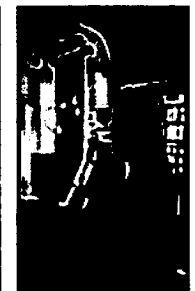
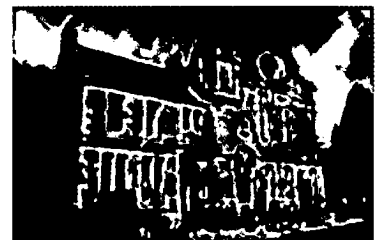
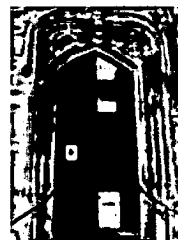
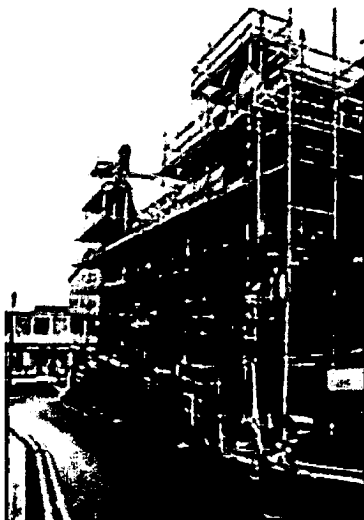
Building Contractor:

**W H Kirkwood Ltd**

## OTHER PROJECT FUNDERS £

John McAslan Family Trust	250,000
Big Lottery Scotland	656,825
Heritage Lottery Fund	575,000
Creative Scotland	465,000
Highlands and Islands Enterprise	300,000
Historic Environment Scotland	180,761
Argyll & the Islands Leader	58,000
Theatres Trust	5,000
The Monument Trust	100,000
Sylvia Waddilove Foundation	4,000
The Robertson Trust	50,000
John Young Trust	5,000

<b>Total investment</b>	<b>2,649,586</b>
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Una Richards  
Director of the Scottish Historic Buildings Trust

*It has been quite a struggle to get to this point from all angles, but as I walk round the building now, it feels like all the pain has been very much worth it. Now, on to the next challenge! With many thanks for all of your support to help us keep going - we couldn't have done it without you.*

# MERKINCH WELFARE HALL

Inverness | Scotland  
 Merkinch Enterprise Ltd | [www.merkinchwelfarehall.org.uk](http://www.merkinchwelfarehall.org.uk)

**Status**  
 Listed Category C  
**At Risk Register?**  
 Buildings at Risk Register for Scotland (removed)

**AHF Funding:**  
 2011-13: PDG: £28,500  
 2015: Loan: £160,000

The Merkinch Welfare Hall is located in Inverness on one of the main approaches to the city. Dating from 1914, it was built by the 'Catch my Pal Union', a temperance organisation, as their local meeting hall. It has subsequently played an important role in local community life, being used for dances, weddings and other social occasions. Merkinch Enterprise Ltd, a charitable organisation, took over responsibility in 2009 and planned to restore the Hall, convert the ground floor to a gym for the Inverness City Boxing Club and to create a community hub upstairs. A community outreach programme was organised alongside the repair and restoration of the Merkinch Welfare Hall. The interlinked projects and activities included open days, street art, historic archive research, public lectures, photographic workshops and training courses as well as educational opportunities and initiatives. Pupils from Merkinch Primary School engaged with the Hall's restoration by burying a time capsule in the Hall.

Funding from the Architectural Heritage Fund in the form of two Project Development Grants enabled the Trust to employ a Project Manager as well as covering additional professional fees. A subsequent loan provided working capital for the project to progress in between payments from major funders.

PROFESSIONAL TEAM	
Architect	LDN Architects
Project Manager	Mia Scott Associates
Quantity Surveyor	Torrance Partnership
Structural Engineer	Arch Henderson
Valuation Surveyor	Torrance Partnership
Construction:	McGregor Construction

OTHER PROJECT FUNDERS	£
HLF (Heritage Enterprise)	656,400
MWH Trust	50,000
Inverness City Heritage Trust	216,037
Regeneration Capital Grants Fund	200,127
Highlands & Islands Enterprise	38,000
Highland Council Capital Discretionary Fund	28,763
Robertson Trust	20,000
Maple Trust	2,000
<b>Total investment</b>	<b>1,211,327</b>



Main and bottom left / Photography © Mia Scott





*We are very grateful to the Architectural Heritage Fund. AHF funding made the whole Kirkmichael Project possible as, with the assurance of cashflow provided through their loan facility, funding from the major investors was made possible. This facilitated the transformation of Kirkmichael from a derelict eyesore causing community concern into a community and economic asset.*

# BUSHMILLS COURTHOUSE: PHASE 1

Bushmills | Northern Ireland  
Causeway Enterprise Agency | [www.causeway-enterprise.co.uk](http://www.causeway-enterprise.co.uk)

Status  
Category B1  
At Risk Register?  
Yes

AHF Funding:  
2017: PVG: £5,000

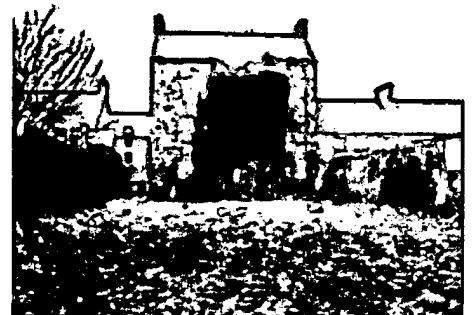
Bushmills courthouse was built by the Macnaghten family of Dundarave Estate in 1834 to serve as a Petty Sessions Court and as a symbol of authority in the area. The building contained a court room and cells, with living accommodation above for the police, which was converted into a residence in the early 20th century.

This prominent building, at the heart of Bushmills Conservation Area, has been empty since the late 1960s and was acquired by the Causeway Enterprise Agency in 2016.

Bushmills is among the most deprived communities in the North Coast area and this redevelopment will use arts, creativity and heritage to drive economic growth, and inspire a strong sense of place and local pride.

The project will potentially establish a 'Creative Enterprise Hub' to include workspace for creative businesses; a gallery and retail and community space.

OTHER PROJECT FUNDERS	£
Resilient Heritage Grant	10,000
Acquisition Cost (own funds)	140,000
<b>Total investment (to date)</b>	<b>150,000</b>





 Gearóid Ó hÉara  
CEO, An Gacláras

*We are delighted to have the support of the AHF and their knowledge and advice has been invaluable. The provision of a Project Viability Grant will help focus the direction of the project throughout our Development Phase and will also open up potential avenues for further funding. The help given by the AHF will aid us in delivering a sustainable and innovative arts and community space which will contribute to the regeneration of the area and have a real and valuable impact on all sections of our community.*



## FINANCIAL REVIEW

2016/17 Overview

Cash flow

Reserves policy

Investment policy (financial)

### Financial review 2016/17 key figures at a glance

**£14,104,315**

Total funds at 31 March 2017  
(2016: £14,022,970)

**£13,535,315**

The AHFs lending resources  
(2016: £13,283,970)

**£81,345**

Amount the AHFs total funds  
increased by  
(2016: £930,725)

**£1,448,375**

in restricted income  
(2016: £478,935)

**£442,603**

in unrestricted income  
(2016: £424,489)

**£28,135**

The endowment fund net  
increase to £11,642,096  
(2016: £1,004,160)

**£0**

Restricted fund increase  
(2016: £69,000)

**£53,210**

Unrestricted fund increase  
(2016: deficit of £142,435)

Total resources expended during the year amounted to £1,819,433 (2016: £1,206,184). Of this expenditure, bad debt provision adjustments and other loan-related activities, grants, programme support and the overheads attaching to these, and the AHFs contribution to the Heritage Trust Network, amounted to £1,779,598 (2016: £1,170,979). The remaining expenditure comprised £39,835 (2016: £35,205) for the costs of generating funds.

The AHFs total funds increased by £81,345 (2016: £930,725), comprising: a net increase in the endowment fund of £28,135 (2016: £1,004,160); a restricted fund increase of £0 (2016: £69,000); and an unrestricted fund increase of £53,210 (2016: deficit of £142,435). Total funds at 31 March 2017 were £14,104,315 (2016: £14,022,970) of which £13,535,315 (2016: £13,283,970) constituted the AHFs lending resources.

The endowment fund increased from £11,613,961 at 31 March 2016 to £11,642,096 at 31 March 2017. The net increase of £28,135 (2016: £1,004,160) consisted of contributions from Historic Environment Scotland (£46,221), and Historic England (£11,800) offset by a net increase in bad debt provision of £29,886 (2016: increase of £229,325).

Following a review of all outstanding loans at the end of 2013/14, the AHFs 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 AHFs 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.

### Cash flow

There was a net inflow of cash of £707,214 (2016: £2,063,992) primarily due to the receipt of grant funding paid in advance for the AHFs grant and advice services, contributions to the endowment fund, and to receipts of interest and rents from investments. Net outflows are forecast for the next three 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. This has been assessed as £450,000 based on the average annual expenditure over the 3 year period 1 April 2016 to 31 March 2019. Compliance with the reserves policy was met by a year-end transfer of £223,210 from the general fund to the designated lending fund (2016: £142,435 transferred the other way 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 AHFs 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 AHFs 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 £11,996 (2016: £13,312).

## FINANCIAL REVIEW

### Grants awarded

#### Grants awarded during 2016/17

Name of applicant | Project  Country  Grant type  Sum offered

Age UK Mid Mersey  
Mansion House, Victoria Park, St Helens

   2,100

Bridport Area Development Trust  
West Bay Methodist Chapel, Bridport

   2,480

Agecroft Cemetery Chapel  
Restoration Group  
Agecroft Cemetery Chapel, Salford

   4,900

Byrne Avenue Trust  
Byrne Avenue Baths, Rock Ferry

   20,000

Alexander Centre CIC  
Alexander Centre, Faversham

   5,000

Chichester Community Development Trust  
Graylingwell Chapel, Chichester

   14,800

Alston Moor Partnership  
High Mill, Alston

   5,000

Creative Quarter Nottingham Limited  
People's Hall, Nottingham

   25,000

Ancoats Dispensary Trust  
Ancoats Dispensary, Manchester

   25,000

CVS South Gloucestershire  
Whitfield Tabernacle Site, Kingswood

   5,000

Artspace Lifespace  
Jacobs Wells Baths, Bristol

   5,000

Dean Road Chapel Limited  
Dean Road Cemetery Chapel, Scarborough

   2,340

Axminster Heritage Ltd.  
Thomas Whitty House, Axminster

   5,000

Dingle 2000 Ltd  
Toxteth Reservoir, Liverpool

   2,000

Barnstaple Buildings Preservation Trust  
Church of the Immaculate Conception,  
Barnstaple

   5,000

Dingle 2000 Ltd  
Toxteth Reservoir, Liverpool

   15,000

Bognor Pier Trust CIC  
Bognor Regis Pier, Bognor Regis



   5,000

East Looe Town Trust  
Watchtower and Old Lifeboat Station, Looe

   1,770



## Grants awarded during 2016/17

Name of applicant | Project  Country  Grant type  Sum offered

Hinton Martell Village Hall  
Hinton Martell Village Hall, Wimborne

   2,286

Kirkstall Valley Development Trust  
Abbey Mill, Leeds

   5,000

Historic Coventry Trust  
Whitefriars' Gate, Coventry

   5,000

Landmark Trust  
Winsford Cottage Hospital, Beaworthy

   15,000

Holbeach Cemetery Chapels Limited  
Holbeach Cemetery Chapels, Spalding

   5,000

Landmark Trust  
Calverley Old Hall, Leeds

   10,000

Horfield Common CIC  
Ardagh Sports Pavillion, Horfield Common,  
Bristol

   4,800

Langport Town Trust  
Langport Town Hall, Langport

   3,000

Horton Chapel Arts and Heritage Society  
Horton Chapel, Epsom

   25,000

Leigh Building Preservation Trust  
Leigh Spinners' Mill, Leigh

   4,900

House of Objects  
Buddle Arts Centre, Wallsend

   7,100

Lostwithiel Town Council  
Edgcumbe House, Lostwithiel

   3,000

Hyndburn Arts Limited  
Oswaldtwistle Library, Lancashire

   5,000

Loughborough Bellfoundry Trust  
Bell Foundry, Loughborough

   4,900

Islington Mill Arts Club CIC  
New Islington Mill, Salford

   5,000

Manchester Victoria Baths Trust  
Victoria Baths, Manchester

   25,000

Islington Mill Arts Club CIC  
Islington Mill, Salford




   25,000

Milton Rooms  
Milton Rooms, Malton

   12,000



## Grants awarded during 2016/17

Name of applicant | Project  Country  Loan or Extension  Sum offered

Society of Antiquaries of London  
Kelmescott Manor, Kelmescott

   10,000

Sussex Yacht Club  
Southwick Clubhouse, Hove

   3,000

Soho Theatre  
Theatre Royal & 19 Hawley Square, Margate

   25,000

Theatres Trust Charitable Fund  
Empire Theatre, Burnley

   4,000

Somersham Community Pub Ltd  
Duke of Marlborough, Somersham

   5,000

Tithe Barn Trust  
Tithe Barn, Landbeach

   2,100

Somewhere MCR  
Mechanics' Institute, Manchester

   1,200

Tolpuddle Old Chapel Trust  
Old Methodist Chapel, Tolpuddle

   9,000

Society for the Protection of Ancient Buildings  
Ditchingham Gatehouse, Norfolk

   900

Trinity Community Arts Limited  
Trinity Centre, Bristol

   5,000

Stanley Peoples' Initiative  
Stanley Halls, Croydon

   24,000

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

   5,000

Stoke-sub-Hamdon Parish Council  
Methodist Church, Stoke-sub-Hamdon

   3,000

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

   8,000

Stroud Town Council  
Chapel of Rest, Stroud Cemetery, Stroud

   5,000

Tyne and Wear Building Preservation Trust Ltd  
170-175 High Street West, Sunderland

   15,000

Sudbury Gasworks Restoration Trust  
Old Gasworks, Sudbury

   4,000

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

   1,300



## Grants awarded during 2016/17

Name of applicant | Project Country Loan or Extension Sum offered

Friends of Bellfield  
Portobello Old Parish Church and Halls,  
Edinburgh

5,000

Glasgow Building Preservation Trust  
West Boathouse, Glasgow Green, Glasgow

13,000

Govan Workspace Limited  
Govan Old Parish Church, Glasgow

10,000

Ridge Foundation CIC  
Black Bull Close, Dunbar

5,000

Scottish Historic Buildings Trust  
Custom House, Edinburgh

4,000

Scottish Veterans' Garden City Association  
Shawmuir Lodge, Pollok Park, Glasgow

17,000

Scottish Veterans' Garden City Association  
Shawmuir Lodge, Pollok Park, Glasgow

69,000

Shambellie House Trust  
Shambellie House, Dumfries, Galloway

10,000

South Kintyre Development Trust  
Old Post Office, Campbeltown

5,000

WASPS Trust  
Inverness Royal Academy, Inverness

15,000

Llanelli Railway Goods Shed Trust  
Goods Shed, Railway Yard, Llanelli

2,000

Time Banking Wales  
10 The Circle, Tredegar

5,000

\* Strathclyde BPT Legacy Fund

## FINANCIAL REVIEW

*Plans for the future*

The AHF Board's annual Policy and Strategy meeting took place in February 2017. This was an opportunity for the charity's trustees to discuss progress against the agreed strategic priorities set out in the AHF's adopted 3-year Strategy 2016-19. The key outcomes from the meeting were as follows:

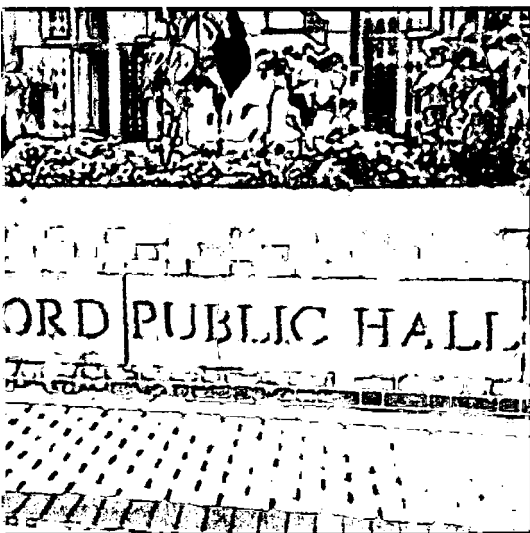
- Trustees approved the annual Operational Plan for 2017-18, including targets to achieve identified priorities in order to fulfil the charitable objectives of the AHF.
- Trustees approved a three-year financial budget forecast with resources provided for the recruitment of new posts, identified as needed to achieve the AHF's strategic goals. The new posts are:

1. Part-time Finance Manager
2. Full-time Business Development Officer (part-funded by Historic England)
3. Research & Evaluation Officer

• Trustees endorsed proposals to develop AHF as the main social investment organisation in the heritage sector and two new loan programmes were introduced and a third developed as a result:

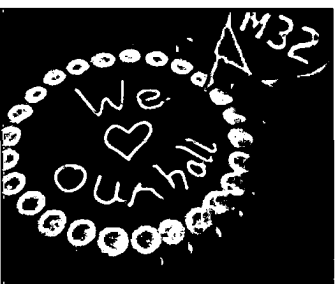
1. The Heritage Mortgage
2. The Community Heritage Support Fund
3. Heritage Impact Fund

• Trustees approved the expenditure of up to £15,000 for the production of a manuscript and accompanying photographs for a book that showcases heritage-led regeneration, to be published by RIBA in 2018.



*From left to right*

*Kirkmichael, Dingwall, Highland / Photography © Jim McKay  
Stretford Public Hall, Stretford, Manchester  
The Assay Office, King Edward Mine Combarne, Cornwall  
/ Photography © Tamara Smith Photography  
Stretford Public Hall, Stretford, Manchester*



Risk area	Risk Description	Risk Management
External environment	<ul style="list-style-type: none"> <li>• 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).</li> <li>• Greater scrutiny of charities and their governance presents an increase in potential reputational risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring of external environment, active engagement in dialogue with key funders and building strong relationships and alliances with funders and partner organisations.</li> <li>• Seek regular feedback from clients on opportunities and requirements and adjusting policies and products accordingly.</li> <li>• Set of core values introduced against which service standards are bench-marked to maintain a good reputation at all times.</li> </ul>
Talent	<ul style="list-style-type: none"> <li>• Talented staff are not attracted, developed and retained in an increasingly competitive labour market.</li> <li>• Staff do not possess the skills to perform their duties.</li> </ul>	<ul style="list-style-type: none"> <li>• Performance management and appraisal processes carried out routinely.</li> <li>• Individual job and personal development plans created that link through to the AHF strategy and operational plan.</li> <li>• Salary and employee benefits benchmarked, reviewed and adjusted as necessary.</li> <li>• Training budget set at over £750 per employee for 17/18.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Loan Portfolio Performance Management System and overdue loans policy introduced.</li> <li>• Rigorous assessment process used for new loan applications.</li> <li>• Impact of activities measured and reported.</li> <li>• Competitive interest rates maintained for lending.</li> <li>• Regular reviews of internal controls on financial management and anti-fraud and money laundering procedures.</li> <li>• Regular financial planning including income, reserves and cash flow projections and the budgeting and monitoring of actual expenditure.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• IT/communications equipment is erratic, seriously disrupted or ceases to work altogether.</li> <li>• Loss of data and files, including computer and paper records, photo library and report archive.</li> <li>• Temporary loss of office and/or equipment.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular reviews of, and investment in, IT infrastructure.</li> <li>• Well established back-up procedures in place with daily back-ups stored off-site.</li> <li>• Digital copies taken of all business critical documents, including loan agreements, grant offers, client information, financial records etc.</li> <li>• Disaster recovery plan with insurance provision for temporary office and equipment if required.</li> </ul>

# STRUCTURE, GOVERNANCE AND MANAGEMENT

## *The Board*

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.

### The Board

The governing body of the AHF is the Board (otherwise known as "the Council of Management"), 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 arm's-length business relationship. In this event the member or members are required to disclose the interest at the meeting at which the application is considered or the business is discussed, thereby taking no part in the Board's decision (in accordance with the AHF's Conflict of Interests Policy). A register of trustees' interests is maintained and updated regularly.

The Board meets at least five times a year.



# 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 Turner and the Churches Conservation Trust. She is the chairman of LandAid, the property industry's principal charity and is also chairing the Shadow Government Property Agency that is being set up under the Government's New Property Model initiative to asset-manage departmental property portfolios. Most recently she has been appointed by the Mayor of London to chair the Old Oak and Park Royal Development Corporation.

#### **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. Myra is also a Beanstalk Volunteer working with primary school children needing help with progressing their reading. Myra has worked for more than thirty years in planning and regeneration. She was Head of Planning for National Grid Property where she worked on major regeneration schemes bringing former gasworks sites back into beneficial use. Prior to this Myra worked for Olympia & York producing the masterplan, design guidelines and planning for the development of Canary Wharf, Heron Quays and Port East. She also worked in Local Government at the London Docklands Development Corporation on many of the key Docklands developments. Her earlier career was as a planning officer.

#### **Susan Brown**

Sue Brown had an early career in local government, after which she joined the London Docklands Development Corporation, where she was Executive Assistant to its first Chief Executive, Reg Ward.

Following a thirty-year career in real estate communications, she joined London First as Executive Director of Planning and Development in August 2016. At London First, Sue leads on policy events and initiatives, managing the business interests of property and development stakeholders, as well as working with the Mayor's office and local government on matters affecting the industry. At London First, Sue Brown is directing the recently established London Urban Transformation Commission.

Sue co-founded REWIRE in 2015, a cross-industry network that works to strengthen the role of women in the property industry.



## TRUSTEES, EXECUTIVE AND THE AHF TEAM

### Executive

#### **Matthew McKeague**

Chief Executive *from 9 October 2017*

Matthew McKeague joined AHF in October 2017. Matthew was previously Director of Regeneration for the Churches Conservation Trust (CCT). Matthew joined CCT in 2008 and delivered a number of award winning church reuse projects, including the health and well-being centre, Quay Place, in Ipswich. Matthew also led the development of the CCT's consultancy and capacity building services, helping to make the skills and experience of the Trust's Regeneration Team available to projects and organisations across the country. Prior to joining the CCT Matthew spent a number of years working for regeneration consultancy Shared Intelligence and the regeneration divisions of Lewisham and Lambeth borough councils. Matthew was also Chair of Trustees of an environmental social enterprise in East London for a number of years.

#### **Fiona Hollands**

Finance Manager

Fiona Hollands joined the AHF in May 2017 as part-time Finance Manager.

Fiona is a Chartered Accountant (ICAEW) and trained as an auditor with KPMG where she worked on a diverse range of clients and engagements including statutory audits, due diligence work and forensic assignments. She then moved to a role in the energy sector, where she specialised in external reporting and risk management.

Fiona spent eight years as a lecturer, teaching subjects including financial reporting, tax and auditing to AAT (Association of Accounting Technicians) students. During this time, she qualified as an assessor and internal verifier and has been involved in the assessment of both AAT and ICAEW exams.

She has developed her own accountancy practice in Suffolk offering tax, accountancy and business consultancy services.

#### **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 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

Andy joined the AHF in 2012, and is responsible for the AHF's lending function and community shares portfolio, with a three-month period over Summer 2017 as Interim CEO. Having worked within the social investment sector for over six 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.

## TRUSTEES, EXECUTIVE AND THE AHF TEAM

### *Employees*

### *Support Officers*

### *Professional Advisers*

#### AHF employees

**Gordon Barr**

Support Officer (Scotland)

**Adam Hitchings**

Support Officer (Wales)

*appointed 15 May 2017*

**Fiona Hollands**

Finance Manager

*appointed 8 May 2017*

Company Secretary

*from 11 July 2017*

**Ruth Johnson**

Business Administrator

*appointed 1 January 2017*

**Ian Morrison**

Chief Executive and Company Secretary

*until 11 July 2017*

**Andy Richardson**

Investment Manager

**Gavin Richards**

Operations Manager

**Ian Rice**

Investment Officer

From 1 November 2015 the AHF's financial and payroll services were performed under contract for a fixed fee by Kingston Smith (until 30 September 2016) and by the Society for the Protection of Ancient Buildings (from 1 October 2016 until 7 May 2017).

#### 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. This scheme has now been extended to the whole of the UK. The Support Officers are:

**Josephine Brown**

Support Officer (South West)

**Rita Harkin**

Support Officer (Northern Ireland)

**Andie Harris**

Support Officer (North East)

*from 1 May 2017*

**Tessa Hilder**

Support Officer

(East England and the South East)

**Karen Houghton-Slater**

Support Officer (Yorkshire and Humber)

**Lucie Oakley**

Support Officer

(East Midlands and East England)

**Elizabeth Perkins**

Support Officer (West Midlands)

**Harriet Roberts**

Support Officer (North East)

*until 31 December 2016*

**Daniel Rose**

Support Officer (London and the South West)

**Jess Steele OBE**

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.

#### Left:

*Ceiling beams, Riddle's Court, Edinburgh*

# 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 2017 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.

# BENEFACTORS AND FRIENDS

In the year 1 April 2016 to 31 March 2017

## Benefactors (£20,000 or more)

Government  
Department for Digital, Culture, Media  
and Sport



Historic England



Historic Environment Scotland



Cadw Welsh Historic Monuments



Department for Communities, N.Ireland

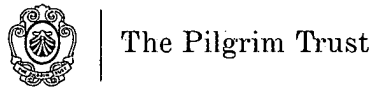


## Charities

The Garfield Weston Foundation



The Pilgrim Trust



Strathclyde Building Preservation Trust



## Friends

S H Back

Professor A H Gomme

D K Robinson

S P Salt

P N Tomlinson

Nigel M Waring

In memory of John R Leadbetter

# SUMMARY INCOME AND EXPENDITURE ACCOUNT

	2017 £	2016 £
<b>Income</b>		
Donations and legacies	10,698	890
Government grants	1,448,375	409,935
Other grants	-	69,000
Interest receivable	356,892	366,690
Rent receivable	38,180	38,149
Other income	36,833	18,760
<b>Total income</b>	<b>1,890,978</b>	<b>903,424</b>
<b>Expenditure</b>		
Costs of generating funds	39,835	35,205
Charitable activities	1,749,712	941,654
<b>Total expenditure</b>	<b>1,789,547</b>	<b>976,859</b>
<b>Net income/(expenditure) before tax for the year</b>	<b>101,431</b>	<b>(73,435)</b>
Tax payable	-	-
<b>Net income/(expenditure) for the year</b>	<b>101,431</b>	<b>(73,435)</b>

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 96 to 111 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 96 to 111 form part of these financial statements.

# STATEMENT OF CASH FLOWS

	2017 £	2016 £
<b>Net cash (used in)/provided by operating activities</b> <sup>Note 19</sup>	(747,512)	1,307,942
Cash flows from investing activities:		
Interest and rents from investments	452,241	756,050
<b>Net cash provided by investing activities</b>	<u>452,241</u>	<u>756,050</u>
Cash flows from financing activities:		
Receipt of endowment	1,002,485	-
<b>Net cash provided by financing activities</b>	<u>1,002,485</u>	<u>-</u>
<b>Increase in cash and cash equivalents in the year</b>	707,214	2,063,992
<b>Cash and cash equivalents at the beginning of the year</b>	7,398,105	5,334,113
<b>Total cash and cash equivalents at the end of the year</b> <sup>Note 20</sup>	<u>8,105,319</u>	<u>7,398,105</u>



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

Income from charitable activities includes loan arrangement fees.

#### Loans

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

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 AHF.

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.

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

Non-refundable grants offered are accounted for on the accruals basis. Refundable grants that have been offered but not disbursed at the balance sheet date are recorded as a future

commitment (see note 12). Both 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 AHF. 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 AHF. It also includes costs relating to the support, development and distribution of information relating to the AHF.

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 AHF and in complying with constitutional and statutory requirements.

#### 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.

## 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, other than by loans.

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

**General fund:** The general fund constitutes the free reserves of the AHF from which running costs and 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 AHF'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 supporting the valuation of investment properties to be estimated rental values and market based yields.

## Bad debt provision

The AHF 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.



**Support Costs**

<b>Premises costs £</b>	<b>Depreciation £</b>	<b>Other costs £</b>	<b>2017 total £</b>	<b>2016 total £</b>
2,478	-	21,778	39,835	35,205
5,536	-	25,398	117,288	399,534
12,252	-	112,503	1,359,213	464,981
10,653	-	145,231	242,319	244,428
1,060	-	8,141	55,778	57,036
-	-	-	5,000	5,000
<b>31,979</b>	<b>-</b>	<b>313,051</b>	<b>1,819,433</b>	<b>1,206,184</b>
<b>42,077</b>	<b>14,938</b>	<b>460,936</b>	<b>1,206,184</b>	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017 number	2016 number
<b>10 Employees</b>		
Average monthly number of employees during the year	5	5
The number of employees whose remuneration exceeded £60,000 was:		
£80,001–£90,000	1	1

Key management comprises the trustees and the chief executive. Total key management personnel remuneration was £87,248 (2016: £87,414)

	2017 £	2016 £
<b>Staff costs comprise:</b>		
Salaries	255,203	267,073
Support Officer (Scotland) - freelance part funded by Historic Scotland	-	25,044
Social security costs	25,579	25,044
Pension contributions	19,510	15,500
Other staff costs	10,847	18,365
	<b>311,139</b>	<b>351,026</b>

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 2017 no pension contributions were outstanding (2016: £nil).

Included in salaries costs are redundancy payments made during the year of £nil (2016: £29,509), of which £nil (2016: £8,629) is ex-gratia in recognition of good service.

#### 11 Members of the Board

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

During the year, 7 Members (2016 – 7) of the Board incurred expenses for travel and subsistence amounting to £1,145 (2016: £6,087); none received any remuneration from the AHF.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	Computer equipment £	Total £
<b>14 Other tangible assets</b>		
<b>Cost</b>		
At 1 April 2016	17,237	17,237
Disposals	-	-
At 31 March 2017	<u>17,237</u>	<u>17,237</u>
<b>Depreciation</b>		
At 1 April 2016	17,237	17,237
On disposals	-	-
Charge for the year	-	-
At 31 March 2017	<u>17,237</u>	<u>17,237</u>
<b>Net book value</b>		
At 1 April 2016	-	-
At 31 March 2017	-	-
The fixed assets are mainly used for direct charitable activities.		

	2017 £	2016 £
<b>15 Financial instruments</b>		
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	702,248	1,775,787
	<u>702,248</u>	<u>1,775,787</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,062,075	2,489,860
	<u>3,062,075</u>	<u>2,489,860</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	Unrestricted funds				
	Designated lending fund £	General fund £	Restricted fund £	Endowment fund £	Total £
<b>18 Funds</b>					
<b>Balance at 1 April 2016</b>	1,670,009	620,000	119,000	11,613,961	14,022,970
<b>Net movement of funds for the year:</b>					
Endowment fund - contributions	-	-	-	9,800	9,800
Endowment fund - loan bad debt write-offs and provisions	-	-	-	(29,886)	(29,886)
Unrestricted fund - surplus for the year	-	101,431	-	-	101,431
Unrestricted fund - transfer	223,210	(271,431)	-	48,221	-
<b>Balance at 31 March 2017</b>	<b>1,893,219</b>	<b>450,000</b>	<b>119,000</b>	<b>11,642,096</b>	<b>14,104,315</b>

The transfer of £48,221 from the general fund to the endowment fund is in agreement with Historic England (£11,800) and Historic Scotland (£36,421), being the reallocation of certain withdrawn grant offers.

The transfer of £223,210 from the general fund to the designated lending fund is in compliance with the AHF's reserves policy: to maintain general reserves of not less than one year's expenditure on core costs and initiatives, based on the average annual expenditure from unrestricted funds over the three year period 1 April 2016 to 31 March 2019.

Endowment fund	Geographical area	2017 £	2016 £
The balance at 31 March 2017 of £11,642,096 comprises the following:			
<b>Source</b>			
<i>Restricted for lending in geographical areas</i>			
Historic England		6,243,463	6,283,163
The Department for Digital, Culture, Media & Sport (DCMS)		435,000	435,000
	England	6,678,463	6,718,163
Historic Scotland	Scotland	4,155,675	4,084,454
Cadw: Welsh Historic Monuments	Wales	447,000	447,000
<i>Not geographically restricted</i>			
UK Government	UK-wide	360,958	364,344
		<b>11,642,096</b>	<b>11,613,961</b>

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

Funds	England £	Scotland £	Wales £	UK-wide £	Total £
<b>Balance at 1 April 2016</b>	6,718,163	4,084,454	447,000	364,344	11,613,961
Funding contributions/transfers	11,800	46,221	-	-	58,021
Loan capital bad debt provisions	(51,500)	25,000	-	-	(26,500)
Loan interest losses and provisions	-	-	-	(3,386)	(3,386)
<b>Balance at 31 March 2017</b>	<b>6,678,463</b>	<b>4,155,675</b>	<b>447,000</b>	<b>360,958</b>	<b>11,642,096</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

	<b>2017</b>	<b>Restated</b>
	<b>£</b>	<b>2016</b>
		<b>£</b>
<b>19 Reconciliation of Net Income to Net Cash Inflow from Operating Activities</b>		
Net income for the year	81,345	930,725
<b>Adjustments for:</b>		
Depreciation charges	-	14,938
Interest and rents from investments	(395,072)	(404,839)
Endowment fund income	(9,800)	(1,233,485)
Loss on the disposal of fixed assets	-	37,847
(Increase)/decrease in debtors	(933,702)	1,967,792
Increase/(decrease) in creditors	509,717	(5,036)
<b>Net cash provided by/ (used in) operating activities</b>	<b>(747,512)</b>	<b>1,307,942</b>

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>20 Analysis of cash and cash equivalents</b>		
Cash in hand	8,105,319	7,398,105
<b>Total cash and cash equivalents</b>	<b>8,105,319</b>	<b>7,398,105</b>

Cash in hand includes an amount of £800,000 (2016: £1,000,000) which is available for lending as and when match funding is obtained.



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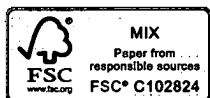
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