

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2020

THE ARCHITECTURAL HERITAGE FUND

Charity No. 266780

Company No. 1150304

Scottish Charity No. SCO43840



Annual Report 2019/20

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1. Who we are and what we do

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

Purpose

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

For over 40 years, we've been the leading social investor in creating new futures for historic buildings.

2. Chairman's introduction

The past year had been going exceptionally well, with the AHF launching Transforming Places through Heritage fund in England, securing significant new grant funding from Historic Environment Scotland and also ongoing funding for its programmes in Wales and Northern Ireland. However, the impact of Covid-19 has brought unprecedented disruption for everyone, including the AHF and the projects we support. The pandemic is an era-defining event, the impact of which will be felt for years to come.

This Annual Review mostly covers the pre-Covid period of the last year. You will see the variety of projects we have supported but also the increasing number of projects focused on high street and town centre regeneration. The Heritage Impact Fund, our partnership loan fund with National Lottery Heritage Fund, Cadw, Department for Communities (Northern Ireland), Historic England and Historic Environment Scotland was able to deliver a significant number of loan offers more quickly than we had expected - the demand and quality of projects coming forward has been very impressive. But Covid-19 will change the trajectory of many of these schemes and organisations. We continue to work with our partners to help provide support and advice to enable as many organisations as possible to emerge intact on the other side of the crisis. That said, we recognise the major challenges many face.

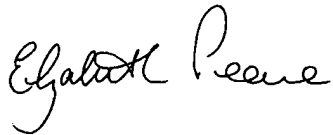
We continue to experience and see the shock waves generated by Covid-19 affecting many organisations, communities and individuals. We know that many of those we have been supporting have been working hard to address the virus's impact, including some working at the frontline of community responses. Stretford Public Hall has been acting as a hub for community response teams and Leith Theatre has provided a space for a food charity offering free meals for the local community. We want to make sure as many as possible of these inspiring organisations survive the crisis. For us, that will mean working in partnership now more than ever so that we can understand the specific challenges and help to find mitigating measures that could be the difference between failure and survival.

An organisation such as the AHF could not do what it does without the assistance of so many others. As well as the organisations I have mentioned, this year we have continued to receive very welcome and much appreciated support from the Pilgrim Trust and Garfield Weston Foundation for our programmes in Wales and Northern Ireland.

Our Board of Trustees also continues to put in tremendous efforts not only to support the executive in matters of governance and strategy, but also to offer their time in so many other aspects of our grant and loan making. We are fortunate in having such a dedicated group of people but sadly their tenures do not last for ever and this year we have said good-bye to our long-serving Welsh trustee, Richard Keen, who has done so much to maximise the impact of our activities in Wales, and to Sue Brown who has been an enthusiastic proponent of our enhanced communications efforts aimed at ensuring that deserving heritage projects understand the wide-ranging support that we can offer and that the wider world hears about our achievements.

And finally, of course, we have our small but dedicated team - some of them very new to the organisation - who, under the inspiring leadership of our CEO, Matthew McKeague, have put in a superlative effort over the last year to launch major new funds, secure new funding and deal with the impacts of the Covid pandemic. They - and the people involved in the often small organisations we support and fund - have faced the crisis presented by the last few months with a resolve and determination that is to be much admired.

None of us quite know what the next year will bring but we can be certain that there will be plenty of people and organisations who will need our help in working out a sustainable future for much loved but sadly neglected heritage buildings. That is what the Architectural Heritage Fund does best and what we will continue to do with expertise and enthusiasm - and with a deep commitment to making a difference for communities across the UK in a post Covid world.

A handwritten signature in black ink, reading "Elizabeth Peace". The signature is written in a cursive style, with the first name "Elizabeth" and the last name "Peace" clearly distinguishable.

Elizabeth Peace
Chairman

3. Chief Executive's highlights from the year

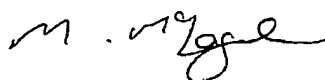
This Review primarily covers April 2019-March 2020 - and the story, for most of that time, was a really positive one. In fact, up until February the AHF team had been working hard on delivering and managing the biggest loan and grant awards we've ever made: throughout the UK, projects involving the reuse of heritage buildings were being funded by the AHF like never before. There were still many challenges facing communities, but lots of excellent work was happening across the country - the impact of coronavirus has put a huge dent in the progress of so many projects and organisations.

Covid-19 will take time to recover from and we need to ensure that as many organisations as possible emerge on the other side of the pandemic. Organisations like Jubilee Pool Penzance were just gearing up for their first summer season since the addition of a new cafe and geothermal pool. Spring and summer are so vital to assets like Jubilee Pool which, like many projects, derive much of their income in these months. Evidence gathering by our partners at Social Investment Business has shown how places like Penzance rely heavily on visitor spend and how heritage assets can be key drivers of this spend. The welcome and unprecedented government support, along with that of larger funding partners of the AHF, has undoubtedly helped our clients weather the storm - but the long tail impacts cannot be underestimated. This is a story replicated across many of the projects we are supporting.

Although the immediate future can and does look daunting, there is hope to be had. The plans for Gracehill Post Office in Northern Ireland will address issues such as rural isolation and a lack of social and community infrastructure, as well as the regeneration of an historic building. Projects like this, and the services it will deliver, will be needed even more so as we emerge from the immediate impact of Covid and in the coming months and years of recovery.

During the course of the year we also funded our first Heritage Development Trust pilots. These organisations will use our revenue grants to help scale up their heritage-led regeneration efforts in Sunderland, Bacup, Great Yarmouth and Coventry. Despite the challenges wrought by Covid, these organisations are looking at how some of the features of the virus - more home working, more domestic tourism - might be turned into opportunities in the medium to long term. We are looking to invest in additional Heritage Development Trusts over the next few years and believe the model could be a powerful driver of more heritage-led, sustainable and place-specific regeneration.

As ever, I am indebted to the immense hard work of my team and the support of our trustees. This - and the huge efforts of the organisations we have been supporting - is always such a source of pride, but particularly in this ever so difficult and challenging year.



Matthew Mckeague
Chief Executive

4. Our impact: Progress against our strategy

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

Aim One

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

Aim Two

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

Aim Three

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

Aim Four

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

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

In terms of funding awards, this has been a record year for the AHF. We have invested £4m in grants across the UK and 32 loan and further advance offers totalling £6.31m to new and existing borrowers; 16 of which were made through the Heritage Impact Fund. This was our first year of delivering the Transforming Places through Heritage programme, our initiative targeting the regeneration of historic buildings on high streets and in town centres across England. Through this programme we have funded 48 charities and social enterprises across 46 different high street and town centre locations in England.

The awards include Transformational Project Grants for Tyne and Wear Building Preservation Trust for the Grade II-listed 170-175 High Street West Sunderland, a former Binns department store that will become a home to Pop Recs, a Sunderland based social enterprise. This project had been supported by a previous Project Development Grant, demonstrating the role our awards play in moving projects through the project development cycle. We allocated £600, 000 of funding as part of the Transforming Places through Heritage programme to the Community Shares Booster, to be managed by Cooperatives UK. This will invest in community benefit societies raising funds through community share issues. The first award was to Marsden Grocery Community Benefit Society, to enable them to set up a community-owned grocery store within the town's conservation area.

We were very pleased and grateful to be awarded new funding of £767, 000 from Historic Environment Scotland to continue our programme of funding and support. This will enable us to continue our model of investing in the early stages of projects and providing advice and guidance to organisations delivering heritage-led regeneration projects across the country.

In Wales and Northern Ireland, we received new funding awards during the year to enable us to continue our programmes in both countries. Funding from the Pilgrim Trust, Garfield Weston Foundation, Cadw and Department for Communities Northern Ireland enabled us to continue to award grants for early-stage project development and to extend our Support Officer roles in both countries. In Wales, and following additional in-year funding from Cadw, we were also able to award £120, 000 in capital grants to Circus Eruption Swansea, Haverhub CIC Haverfordwest and Antur Waunfawr Caernarfon. And in Northern Ireland, the Department for Communities agreed new funding of £450, 000 for the Heritage Impact Fund, the AHF's UK wide social investment fund for heritage-led regeneration projects.

Despite the outbreak of Covid in March, we continued to award funding to new projects. Many of our awards are for the early stages of projects which meant they could still move ahead. The pause in many other funders' programmes, with many moving to emergency funding, will have an impact on the projects we have been supporting this year. We continue to work alongside our partner funders and in helping projects navigate the impacts the pandemic is having.

Fig 1. Aim 1: Selected Annual Plan KPIs 2019/20

KPI	Result
Deliver Year 1 of TPTH programme	All milestones achieved
Targets for endowment and HIF lending met	Lending targets exceeded

Agree new funding programmes for Scotland, Northern Ireland and Wales	Milestone achieved
Agree 3 year funding plan for non-high street assets in England	1 year programme agreed. 50% of funding target achieved.

Fig 2. Loan offers by country 2019 /20

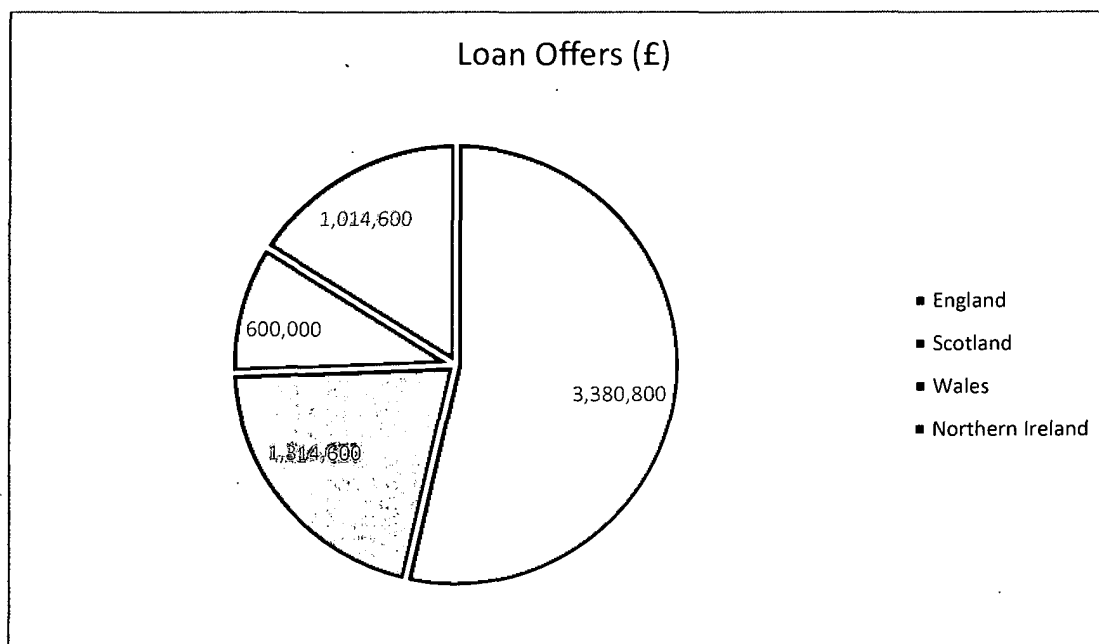


Fig 3. Breakdown of loan offers/contracted loans 2019/20

Organisation	Buildings	Loan Offer (£)
England		
Age Concern Southend-on-Sea CIO	Havens Department Store, Southend-on-Sea	£45,000.00
CEDE Foundation	Church of St Ignatius of Antioch, Salford	£150,000.00
Cleveland Pools Trust	Cleveland Pools, Bath	£250,000.00
Great Yarmouth Preservation Trust	160 King Street, Great Yarmouth	£28,000.00
Heritage Lincolnshire	Old Kings Head, Kirton, Lincolnshire	£100,000.00
Monastery of St. Francis and Gorton Trust Ltd	The Church and Monastery of St. Francis, Gorton, Manchester	£342,766.00
Norwich Preservation Trust	Elms Hill, Norwich	£50,000.00
Portland Works Little Sheffield Ltd	Portland Works, Sheffield	£111,110.46
Really Local Fund CIC	Apollo House, Hayes	£500,000.00
Silverstone Heritage Limited	Silverstone Innovation Centre	£250,000.00
SLT Building Preservation Trust	South London Theatre, West Norwood	£53,435.00
Society for the Protection of Ancient Buildings	St Andrew's Chapel, Boxley	£500,000.00
Valley Heritage	18-20 Market St, Bacup	£195,000.00
West Midlands Historic Buildings Trust	Lye & Wollescote Cemetery Chapels, Lye	£75,000.00
White Rock Neighbourhood Ventures	Observer Building, Hastings	£350,000.00
Scotland		

Clydesdale Armateur Rowing Club	West Boathouse, Glasgow Green	£100,000.00
Dunoon Burgh Hall Trust	The Burgh Hall	£99,101.51
Edinburgh Fruitmarket Gallery		£500,000.00
Fife Employment Action Trust	Flax Mill, Leven	£250,000.00
Govanhill Baths Community Trust	The DeepEnd, Glasgow	£20,000.00
Jedburgh Community Trust	Port House, Jedburgh	£100,000.00
Willow Tea Rooms Trust	Willow Tea Rooms, Glasgow	£100,000.00

Northern Ireland

Conway Mill Preservation Trust	Conway Mill, Belfast	£464,649.00
Hearth Historic Buildings Trust	Riddel's Warehouse, Belfast	£300,000.00
Kilcooley Women's Centre	Former Bank Building, Bangor	£250,000.00

Wales

Spitalfields Building Preservation Trust	Caerwent House, Caldicot	£400,000.00
Cardigan Building Preservation Trust	Cardigan Markethall	£200,000.00

Offers not proceeding

Monastery of St. Francis and Gorton Trust Ltd	The Church and Monastery of St. Francis, Gorton, Manchester	£50,000.00
Portsmouth Film Society CIC	Southsea Community Centre	£100,000.00
The Hypatia Trust	The Gardeners' House, Penzance	£230,000.00
Castle Roy Preservation Trust	Castle Roy, Nethy Bridge	£60,000.00
MacDougall of Dunollie Preservation Trust	Dunollie Castle, Oban	£85,520.00
TOTAL		£6,309,581.97

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

We have continued to increase our support and funding to charities and social enterprises taking ownership of historic assets. With our assistance, assets like the Observer Building in Hastings have been taken into community ownership - the vision of White Rock Neighbourhood Ventures (WRNV) will help bring it back into sustainable use after 35 years of dereliction. WRNV's purchase of the site and initial development was supported by a loan from the Heritage Impact Fund.

In Northern Ireland, Hearth Historic Buildings Trust has been assisted with both advice and funding as they gear up their development of Riddel's Warehouse – a magnificent example of Belfast's industrial heritage. Here, the proposal is to develop a range of cultural and workspace uses, ones that will enhance the unique and atmospheric spaces that are such features of the building.

The AHF team has expanded significantly to provide more advice and support to charities and social enterprises developing projects - this remains a key part of AHF's offer, particularly to organisations approaching heritage regeneration projects for the first time. Included within the expanded team are now Programme Officers and enhanced consultant support in England - funded through the the Transforming Places through Heritage programme - as well as a new Support Officer in Scotland who is helping to increase advice to projects across the country.

We have also continued to nurture partnerships with strategic partners to assist us in delivering this aim. One significant example is our partnership with the Social Investment Business on the RePlan

service. RePlan is our new business support programme which is assisting organisations, particularly around their business and financial planning needs. We see the service growing in importance as the impact of Covid ripples through the sector over the coming months and years, and we will be looking at how we can use it to deliver further support to projects requiring assistance and advice.

Another new partnership launched in the year was the William Grant Foundation Tailored Support Fund. This fund is designed to support innovative approaches to reusing built heritage. Among the 14 projects funded this year were grants for emergency repairs to dangerous stonework at St Margaret's Braemar, increasing accessibility at a series of venues assisting with meanwhile uses for the Scottish Civic Trust's Doors Open Day programme, and funding engineering and other studies for the Finnieston Crane and the steam slipway at Balloch.

Fig 4. Aim 2: Annual Plan KPIs 2019/20

KPI	Result
Appoint new team and specialists in England and Scotland	Milestone achieved
Appoint team to deliver capacity building support for the TPTH programme	Milestone achieved
Launch RePlan and support 6 organisations through the service	Partly achieved. RePlan launched but delay led to only one organisation being supported.

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

We completed a number of internal policy reviews during the year, including a review of our Investment Policy. Our investment fund, managed by Rathbone Greenbank, was negatively affected by the turbulence in the stock market, although it recovered in value over the summer of 2020. The performance of the investment fund will be closely monitored over the coming year.

During the course of the year and at the Board Away Day, the Trustees reviewed the organisation's performance with the help of the Charity Governance Code's principles. The Board is confident that it is meeting the principles within the Code, but identified a number of areas in which the organisation could strengthen - this includes the diversity of the Board and looking at how to streamline certain elements of reporting. A number of actions are now being taken forward and the code will again be reviewed during the coming year.

We developed the first draft of a new Environmental Policy. This will guide how the organisation advises projects on sustainability and will provide a framework for environmental criteria informing how we make decisions. This work was interrupted during the initial phases of Covid crisis but will be brought back into focus in the coming year. Along with other sector partners, we also signed a commitment to develop an action plan for how the organisation will help reduce the impact of climate change, both across the sector and within the AHF itself.

With the onset of Covid-19 our disaster recovery planning and service delivery received an unprecedented test. The switch to 100% of staff home working was successful and the AHF team has worked incredibly hard to maintain an advice service and deliver funding decisions under the most challenging circumstances. Covid also struck at a time when the organisation had just expanded, both in terms of employees and the financial resources under management. In coming to terms with the new normal, we will be looking at how we can continue to strengthen the team working and management culture of the organisation, at a time when remote working is likely to be with us for some time.

Fig 6. Aim 3: Annual Plan KPIs 2019/20

KPI	Result
New organisational structure agreed and implemented	Milestone achieved
Policy and procedure reviews	Partially met. A number of reviews were delayed by onset of Covid-19.

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

This year we completed an evaluation of our programmes in Scotland and the impact of our funding on projects there. The evaluation found that:

- Our HES-funded grant programmes met or exceeded all of the outcomes agreed for 2017-2020.
- Over the 3 years, our early stage viability and development grant funding of over £1m to 110 different projects in Scotland has directly helped to lever in over £4m of further funding.
- We have supported a diverse range of projects within every region of Scotland:
 - 54% of development grants have been to projects in an Assisted Area or located in a decile of high deprivation;
 - 43% of projects involve a building on the Scottish Buildings at Risk Register.
- Client feedback on the quality and value of the advice and service received is extremely positive: 87% of clients rating our support and advice as helpful or very helpful.
- AHF support and advice continues to build the capacity of the sector to gain skills and knowledge: 82% agree interacting with the AHF and gaining our support has raised their credibility with other funders:
- Projects have an increasing focus on community enterprise:
 - 59% of offers are to projects involving community businesses;
 - 34% of offers are to projects involving commercial partners.
- AHF early stage development grants help to build a pipeline of good quality projects for later capital support by HES, SGCR.

To measure the delivery of our latest strategic aims, we have developed, for the first time, an evaluation strategy that draws together the main indicators the AHF will use to measure the impact of our activities and which are set out in the organisation's logic model. The evaluation strategy also outlines how we will measure other programme level outcomes, along with the long-term impact of our funding and advice. Despite the organisation's relatively small size, we are striving to achieve a balanced, robust and transparent approach to impact measurement. *This may mean measuring fewer things and accepting that we will not be able to measure all the outputs or outcomes of the projects we support.* We are also keen to develop our methods and believe our evaluation approach will need to be routinely reviewed and updated, whilst ensuring we maintain a coherent approach over the lifetime of the strategy.

Part of this will include more detailed evaluation of programme-level approaches. For example in England, the Heritage Development Trust pilots (these are organisations scaling up their delivery of heritage-led regeneration in four locations across England) have agreed a specific set of measures to help us understand the impact of the HDT model.

Significant milestones from Annual Plan 2019/20

KPI	Result
Publish new evaluation framework and impact report	Partially met. New evaluation strategy agreed but publication delayed by Covid-19.
Scotland evaluation published	Milestone achieved
New project case studies published on website	Partially met - 3 out of 10 published. More to be published in 2020.

5 Our portfolio – case studies for across the UK

England

Saltdean Lido, Brighton

The only Grade II*-listed coastal lido in England, the 500-swimmer capacity Saltdean Lido has been named by English Heritage as one of 'Seven Wonders of the English Seaside'. Built in the interwar period to Modernist perfection, the Lido's distinctive curved-wing pavilion perches over a 43-metre long crescent-shaped pool, like an ocean liner gliding over the sea. After several periods of decline and attempts to revitalise the site, the Saltdean Lido Trust was instituted to take ownership, and has since restored, heated and reopened the historic swimming pool,. It is now Brighton's largest and an important local amenity focused on health and wellbeing.

Phase 2 of the project will be a sympathetic restoration of the Lido's iconic but currently dilapidated Art Deco pavilion, providing year-round events and arts spaces, a library and a heritage café, which will together form a vibrant new community hub and provide a sustainable income to maintain the complex into the future. With the majority of needed capital funding in place after ten years of hard work by the Saltdean Lido Trust, in November 2019 the AHF awarded a Project Development Grant to support the final piece of enabling works; a required structural engineering survey of the condition of the building's concrete structure.

Following the challenges brought by Covid-19 and social distancing measures, the pool has recently reopened to swimmers and capital works will soon be underway to bring this ambitious project to completion.

<https://saltdeanlido.org/>

16 Elm Hill, Norwich

A 16th century three-story, jetted house, the middle of a terrace of three with an original passage leading to a courtyard at the rear. It is a significant Grade II listed building that forms a prominent part of Elm Hill which is said to be one of the most historically important streets in the city of Norwich. The building is best known for the short period of time when it was used as a monastery under the self-styled Father Ignatius, a controversial religious figure in the Church of England in the late 19th Century. The property was since occupied by an elderly tenant unable to maintain the building and once it became vacant some five years ago the building was unsuitable for occupation. It was then placed on the Local Authority's Buildings at Risk Register.

Norwich Preservation Trust Ltd, a well-established traditional revolving fund Building Preservation Trust, acquired the property under its first asset transfer from the Council on a leasehold transfer of 125 years to restore and renovate the property to bring back into residential use. An AHF Project Viability grant in 2016 and a Project Development grant in November 2019 supported the Trust in developing their plans for conversion into a two-bedroom property. Further support from the AHF was obtained in February 2020 when they were successful with a loan of £50,000 to provide short term bridging finance until the property is sold.

<https://norwichpreservationtrust.co.uk/>

93-113 Harper Street, Middleport, Stoke-on-Trent

The eleven Harper Street Houses No. 93-113 are a small part of what was once a much larger Victorian residential area built to provide homes for the increased number of industrial workers brought to the area by the growth of the pottery industry. The terrace is made up of standard 'two-up, two-down' houses. The terrace was constructed at the same time or shortly after Middleport Pottery in 1888. Although the terrace is unlisted, it makes a strong contribution to the setting of, and has strong historic connections to, Middleport Pottery, a Grade II* listed historic site.

Re-Form Heritage, formally known as UKHBPT, which owns and operates the Middleport Pottery, saved this last remaining undeveloped Victorian terrace from demolition with a clear vision for the reuse within the Harper Street terrace. This consists of four main elements: an Archive & Collections Store including a research centre; interpretative pottery workers' house; tenanted flexible workshop spaces; and a community centre. The Trust was awarded Project Viability and Development grants totalling £22,590 in 2016 and 2018 respectively. A loan of £50,000 was awarded to the Trust to provide working capital throughout the restoration of the project.

<https://re-form.org/>

Fisher Theatre, Bungay, Suffolk

The theatre was one of thirteen designed and built across East Anglia by David Fisher, serving the circuit of Fisher's company in 1828. Touring theatres were badly affected by the coming of the railways and in 1844 the Bungay theatre was sold. For most of the 19th Century it was the town's corn Hall and a venue for meetings. Later it became Bungay's first cinema and was used for a variety of entertainments and commercial enterprises, including a steam laundry for many years, and ending the 20th Century as a textile warehouse.

Bungay Arts and Theatre Society was formed in 1995 by five local residents convinced that the town needed an Arts Centre, and that to establish one would also help regenerate its ancient market town. After much fund-raising including a loan from the AHF of £98,000 the old Georgian theatre building was bought in 2001 and plans to transform a very dilapidated historic shell into a high-tech centre for all arts began. A further AHF loan of £182,000 was provided for working capital to enable The Fisher Theatre to finally opened its big blue doors in September 2006.

Following a crowd funding campaign, which included high profile contributions and a grant from Power to Change, Bungay Theatre has repaid a significant proportion of its loan, enabling the community to take full ownership of the theatre.

<https://www.fishertheatre.org/>

The Observer Building, Hastings

The Observer building was built in 1924 and for more than sixty years served as the HQ and printworks for Hastings and St Leonards Observer. Designed by local architect Henry Ward, it is an imposing building with a grand façade and holds approximately 42,500 sq. feet. of industrial floor space over seven floors. In February 2019, White Rock Neighbourhood Ventures (WRNV) purchased the iconic building to transform it into 2000+ sq.m. of workspace for local enterprises and start-ups. This important initiative will create up to 300 jobs and 16 affordable homes in Hastings, a coastal town with high levels of economic and social deprivation where jobs and accessible housing are consistently in short supply.

The Observer Building is the second regeneration project of WRNV, a joint venture between Meanwhile Space CIC and Jericho Road Solutions Ltd. The organisation has been developed to transform unused assets of significant value into sites delivering valuable social and economic benefits to the local community. Alongside other social investors, including Ecology Building Society and Big Issue Invest, the AHF assisted WRNV with a loan of £350,000 for project management and the completion of Phase 1 of their capital works. This loan, made through the Heritage Impact Fund, provided the Observer Building project with the necessary capital to access further funding, self-sufficiency and their ultimate goal of regeneration-led social impact.

<https://theobserverbuilding.org.uk/>

England - Transforming Places through Heritage

Liskeard Library, Cornwall

The Real Ideas Organisation (RIO) is leading a £750,000 project in Liskeard, Cornwall, to revitalise a beautiful grade II-listed library in the town centre. Once completed, the space will be fully accessible, a multi-purpose facility that puts community need at its heart. Central to the vision is providing a library and learning space suited to the 21st century, as well as meeting and co-working spaces for creative businesses and social entrepreneurs, and events and cultural spaces that will drive footfall and maximise use of the building throughout the day.

Built in 1896, the Flemish Renaissance building was originally financed in part through community subscriptions, and the library has remained an important community resource ever since. Now RIO is leading on reimagining this town centre institution so as to broaden its use. The reimagination will be focusing on delivering a sustainable, accessible and inclusive gateway to learning and experiencing all that Liskeard can offer.

In 2018, RIO was awarded project development funding to support the development of architects' plans, which were drawn up by a local team experienced in conserving historic properties. The planned reconfiguration and thoughtful opening up of internal spaces and strong community engagement helped secure the Library a first-round Transformational Capital Grant in 2019, and a follow-on Grant Increase in March 2020, together amounting to £150,000 towards capital redevelopment costs.

<https://yourideas.liskeardlibrary.org/>

21 High Street, Wooler, Northumberland

Since 1863, the handsome classical façade originally built for Alnwick and County Bank rooted the High Street of the small market town of Wooler, Northumberland, serving the community's banking needs until finally closing in 2018. The following year, the grade II-listed building was purchased by Glendale Gateway Trust, a local community organisation established to improve the lives of local residents in and around Wooler.

With nearly 25 years' experience managing a co-working and community hire space redeveloped from a former Victorian workhouse, the Trust has also built a portfolio of 18 affordable housing properties available to the local community; many of these are adapted from historic properties. Their vision for the former bank building will create new commercial space on the ground floor, as well as two additional affordable homes on the upper floors, a local need highlighted in Wooler's Neighbourhood Plan.

Following a successful Community Bond fundraising drive, the Trust was awarded a Crowdfunding Challenge Grant in 2019 under Transforming Places through Heritage. This grant completed the funding package needed to conserve and adapt the building, which will soon welcome its first residents.

<https://www.glendalegatewaytrust.org/>

Provision House, 80-81 High Street, Dudley

The Art Deco former department store now known as Provision House on the High Street in Dudley was first opened in 1939. For decades, the building served the Dudley community as a co-operative emporium - a store dedicated to providing its customer-owners with quality goods at the lowest prices possible. But much of the floor space at locally listed Provision House fell out of use following the closure of the co-operative in 1983. In 2019, Dudley-based charity Loaves N' Fishes took over use of the ground floor with plans to bring the upper floors back into use.

Loaves N' Fishes was established in 2014 to support the relief of poverty and its effects for the communities of Dudley, Sandwell, and the wider Black Country by providing furniture, clothing, a food bank service, and a volunteer training programme. By expanding their occupancy of Provision House, Loaves N' Fishes plan to build a hub for local organisations similarly committed to improving the lives of Dudley area residents, including a community café, co-working and art spaces.

The charity was awarded a Project Viability Grant in March 2020 under Transforming Places through Heritage to consider the opportunities and constraints of expanding their presence at Provision House and which options will best serve the needs and priorities of the Dudley community.

<https://www.loavesnfishes.co.uk/>

Greyfriars', Lincoln

Dating from the first half of the thirteenth century, the Grade I-listed former infirmary of the Franciscan friary in Lincoln has been in public ownership since 1583. For most of the intervening centuries, its upper floors housed a variety of schools, but it served as the site for the City Museum from 1907-2001. More recently, the building - probably the oldest surviving friary building in England - has remained shuttered

and is rapidly deteriorating through damp. Now, Heritage Lincolnshire, the county's building preservation trust, plans to breathe new life into one of Lincoln's oldest buildings.

With nearly 30 years of experience in conserving historic properties within the county, Heritage Lincolnshire is partnering with Lincoln Council to restore the elegant vaulted undercroft at Greyfriars' as an immersive heritage experience telling the story of the friars who lived and worked within its walls eight centuries ago. The upper floor will provide dedicated offices for Heritage Lincolnshire as well as discrete events spaces that will ensure the building can be sustainably maintained in the future.

Heritage Lincolnshire was awarded a Project Development Grant to develop its architectural plans, business and activity plans to ready the project for capital redevelopment work.

<https://www.heritagelincs.org/>

Heritage Development Trust Pilot Grants

As part of Transforming Places through Heritage, we were extremely pleased in December 2019 to award Heritage Development Trust Grants to four organisations working to conserve and adapt historic buildings on high streets and in town centres in England. This pilot programme will offer three years of revenue funding to enable these organisations to expand their activity and portfolio with the aim of achieving greater sustainability. The pilot will also help demonstrate the role for specialist social enterprises that can deliver capital projects alongside local partners, and which own and manage a growing portfolio of heritage assets. The four awards were made to Great Yarmouth Preservation Trust, Historic Coventry Trust, the Tyne and Wear Building Preservation Trust, and Valley Heritage, in Rossendale, Lancashire.

Great Yarmouth Preservation Trust (GYPT)

Founded in 1979 to preserve, enhance and promote the historic environment of one of England's best-preserved seaside towns, the Trust has a strong record of success, having restored and adapted 23 buildings in and around Great Yarmouth. Additionally, GYPT is heavily engaged in training and outreach schemes, passing conservation and traditional building skills to the next generation and to people seeking new skills. The Heritage Development Trust grant will enable GYPT to hire additional specialist staff, thus increasing their activity and enabling the Trust to build a larger portfolio of assets and helping improve their sustainability.

In 2019, GYPT also received additional funding from the AHF in support of Grade II-listed 160 King Street, a 500-year-old timber-framed townhouse that has lain empty since 2001. A rare survival from Great Yarmouth's medieval past, the building will be restored to house a commercial restaurant on the ground floor as well as a much-needed social housing unit on the upper floors. The project, which is currently under construction, received both a Heritage Impact Fund loan and a Transformational Capital Grant of £350,000 through Transforming Places through Heritage.

<http://www.greatyarmouthpreservationtrust.org/>

Historic Coventry Trust (HCT)

Launched in 2015 to serve as guardian of the city's built heritage, HCT is charged with restoring, adapting and reusing many of Coventry's historic buildings to support the city's economic, social and cultural enhancement. HCT already lists among its rapidly growing portfolio Charterhouse, a Grade I-listed Carthusian monastery dating from the fourteenth century; the Drapers' Hall, a set of remarkably intact Grade II*-listed Georgian function rooms; and Hales Street and The Burges, one of the best-preserved high streets in England and the first of Historic England's High Street Heritage Action Zones; as well as a series of former City Gates and chapels. With a key role to play in preparing Coventry for its 2021 City of Culture year, HCT intends to use its Heritage Development Trust pilot grant to take on up to 22 sites around the city and repurpose these for a sustainable future.

Additionally, HCT was also awarded a Transformational Capital Grant of £350,000 to restore Grade II-listed Lychgate Cottages on Priory Row. Originally three separate lodgings attached to the medieval priory of St Mary's and with timber frames dateable to the fifteenth century, HCT plans to restore the Cottages as luxury holiday accommodation that will enable more visitors to experience the historic heart of Coventry.

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

Tyne and Wear Building Preservation Trust (TWBPT)

TWBPT was established in 1979 to support the regeneration of the Tyne and Wear region through the conservation and reuse of its historic buildings and structures. TWBPT has worked across the region and on projects as disparate as the Grade II-listed landmark 1893 Dunston Coal Staiths on the River Tyne (believed to be the largest timber structure in Europe); Alderman Fenwick's House (a Grade I-listed seventeenth-century merchant's house and one of the oldest residences in Newcastle); and the mid-nineteenth-century brick Bottle Kilns at Corbridge. Now, with the support of the Heritage Development Trust pilot grant, TWBPT has expanded its team and will begin building a larger portfolio of activity.

Through Transforming Places through Heritage, TWBPT has also been awarded a Transformational Capital Grant of £348,350 for a row of Grade II-listed houses at 170-175 High Street West in Sunderland. Iconic regional department store empire Binns was housed here at the start of the nineteenth century, but the streetscape has been derelict for decades. Partnering with local music shop, artspace and venue PopRecs, the terrace will soon be restored and once again bringing footfall into Sunderland's historic high street zone.

<http://www.twbpt.org.uk/>

Valley Heritage

The Rossendale Valley lies nestled between the Pennines to the east and upland moors to the west. In the midst of this landscape formerly dominated by coal, a group of local volunteers formed Valley Heritage, one of England's newest building preservation trusts, in 2015. Valley Heritage is currently focused on progressing the organisation's first major project, the renovation and adaptation of the former Lancashire and Yorkshire Bank. With the funding provided by the Heritage Development Trust

pilot grant, Valley Heritage are taking on their first formal member of staff and expanding their activity to include additional projects.

In 2019, Valley Heritage secured the purchase of the former Lancashire and Yorkshire Bank in Bacup, a Grade II-listed and turreted structure occupying a prominent site on the high street, through a Heritage Impact Fund loan of £195,000. The following June, the group was also awarded a £311,271 Transformational Project Grant for the capital redevelopment of this important local landmark. Working in partnership with coworking cooperative Indycube, Valley Heritage will transform the ground and lower-ground levels into work and meeting spaces for Bacup residents. Meanwhile, the upper floors will be transformed into four housing units for young people at risk of homelessness.

<http://valleyheritage.org.uk/>

Scotland

Port House, Jedburgh

Commissioned by the Jedburgh Co-operative Society and completed in 1900, Category A-listed three-storey warehouse, Port House, is an early example of glass-curtain walling, displaying its cast-iron structure to let in daylight for the benefit of shoemakers and seamstresses working inside. With its functional, community-first design, Port House was a natural head office for the Co-operative Society, which for over a century served the Jedburgh community. But while the lower floors have continued to be occupied in recent decades, the upper floors have fallen from use and been added onto the Scottish Buildings at Risk Register. Since 2010, the Jedburgh Community Trust has been working to restore the building as a community resource centre.

Jedburgh Community Trust was formed in 2002 to preserve the town's built and natural environment and provide for its residents high quality facilities that promote education, recreation and social welfare: *conserving and breathing new life into Port House is a flagship initiative. Current plans will support a local charitable anchor tenant to take on use of the ground and first floor as offices with 'incubator-units' available for local social enterprise start-ups. The second floor will form an additional, independent unit.*

The AHF has supported the project since 2013, with three Project Development Grants totalling £25,500 - the most recent of which was granted in September 2019 to fund architect's designs, community consultation exercises and for the development of a fundraising plan. Two months later, the project was also awarded a loan of £100,000 to enable its capital redevelopment work to commence, and work will soon start on-site.

<http://jedburghcommunitytrust.org.uk/>

Silverburn Park, Fife

Fife Employment Access Trust has been working since 2015 on ambitious plans to transform the 27-acre Silverburn estate - once home to the wealthy Russell family and site of their historic flax mill - into a regional centre for health, well-being and environmental sustainability. Among the diverse activities at Silverburn are cafés and camping pods, bike trails and music festivals, astronomy talks, volunteer work

in woodland management, and training and apprenticeships in gardening, catering, and hospitality. All this on an estate surrounded by communities that are identified as being among the most deprived by the Scottish Index of Multiple Deprivation.

The Category B-listed Flax Mill is one of few surviving structures on the Silverburn estate. Constructed in the third quarter of the nineteenth century, this small-scale brick industrial building was converted early in the twentieth century into a livestock barn until the family gifted the estate to Leven Town Council in 1973. Now the former Mill is being conserved and adapted to house a dynamic community hub, including restaurant, art studios and meeting rooms, events spaces and hostel accommodation. Additionally, it will become the offices of Fife Employment Access Trust, which continues its work to support people with mental health conditions to access meaningful employment. The FEAT team has also increased access to its mental health services during Covid 19 through the rapid development of online services.

The development of this complex but inspiring project was supported by a 2017 Project Development Grant to advance business planning and design work associated with the Flax Mill. When other funding was delayed during a crucial time in the Flaxmill's development, the AHF was able to provide FEAT with a cashflow loan of £250,000, enabling the impactful project to continue.

<https://fifeemploymentaccesstrust.com/silverburn>

British Linen Bank, Glasgow

The former British Linen Bank in Glasgow is a Category A-listed tenement block built in 1900 and retaining significant Art Nouveau stone carvings and iron work. A century ago, the building would have been surrounded by similar structures, but a series of clearances in the 1960s and 1970s relocated residents to newly built estates across the city and demolished most of the tenement blocks. The British Linen Bank escaped demolition but had been empty since its last resident moved out in the 1980s and the building had fallen into dereliction. A partnership between the Southside Housing Association (SHA) and the Glasgow Building Trust has restored the building to its original usage, with commercial space on the ground floor with six flats above.

Formed in 1971 and among the oldest community-based housing associations in Scotland, SHA focuses on providing and managing affordable, quality rented accommodation and commercial space in Glasgow, and the British Linen Bank building has joined the SHA's growing portfolio.

Back in 2009, the AHF provided grant funding for an Options Appraisal for the British Linen Bank. This established the fundamental viability of restoring this Glasgow icon to its original usage. More recently, in 2015, an AHF Project Development Grant enabled the SHA to develop design plans for the renovation of the building that combined sensitive restoration of period detail with high-quality spaces that reflect modern living preferences. Through these efforts, this former neighbourhood blight is providing quality homes to support Glasgow's Southside community.

<https://southside-ha.org/>

Church of St Andrew and St Stephen, Perth

The former Church of St Andrew and St Stephen in Perth, built by City Architect Andrew Heiton Junior in the mid-nineteenth century, presents an unusual three-bayed, gabled street frontage. The church's heritage value is recognised in its Category C listing, but the space has been liturgically redundant for decades and the building's future was extremely uncertain, with demolition being considered. Instead, the regional branch of the YMCA has developed new plans to adapt the former church's sizeable footprint to include offices, training and work experience facilities with nearby accommodation units for short-term stays by young people at risk.

YMCA Tayside are committed to working with vulnerable and disadvantaged young people in the Perth and District area, offering training and remedial support, along with critical service provision. YMCA Yayside's recent projects include programmes aimed at young people who have disengaged with education, those affected by drugs and alcohol abuse, and those who have struggled to find sustained employment. Their vision for the former church includes a state-of-the-art digital media centre, workshop/retail space, kitchens and cottage-gardens where young people can learn a range of new skills.

Following a 2019 Project Development Grant to undertake essential surveys and develop architectural plans, the project has recently submitted for planning permission.

www.ymcaperth.com

Garnethill Synagogue, Glasgow

Built in 1879 and the oldest purpose-built synagogue in Scotland, the Category A-listed Garnethill Synagogue also retains the only active congregation in Glasgow. This richly decorated structure - melding together stylistic touches of Classical, Romanesque and Moorish detail - is built into a steep slope and includes a lower storey beneath its worship space. A dedicated store within the basement has housed the Scottish Jewish Archives Centre for many years, and now the Centre plans to adapt this space into an expanded Study Centre focusing on the story of Scotland's Jewish community during the period of the Holocaust.

Plans for the extended Archives Centre include a new public display on the Scottish response to the rise of Nazism and the plight of refugees, a specialist library for researchers and a function room for events and school groups. In addition, new offices and kitchen facilities will enable the coordination of volunteer services to staff the Centre's new programme of activities and outreach, including the development of hands-on learning packs for visiting schoolchildren, and an improved entrance to enhance access directly into the Archives Centre.

In 2019, the project received a Project Development Grant to help with an unplanned increase in capital costs, funded through the William Grant Foundation Tailored Support Fund. This fund enables the AHF to offer flexible support to projects in Scotland with potential for significant social and heritage impact. Although works were paused during lockdown, finishing touches are now in place and the new Archives Centre is due to open in Autumn 2020.

<https://www.sjac.org.uk/garnethill-synagogue/>

Wales

St Luke's Anglican Church, Swansea

The neo-Gothic edifice of St Luke's Anglican Church, Swansea, was built in 1889 to the designs of Cardiff-based architect E. Bruce Vaughan, with a large organ chamber adjoining chancel and four-bay nave. Last repaired in 2006, the church and abutting hall space were sold privately to a developer, who originally intended a residential conversion. These plans, however, were never realised, and the Grade II-listed former church and hall had been suffering from water ingress. Now, Circus Eruption are advancing exciting plans to convert this large space for their youth- and health-focused activities, bringing life and laughter into the vaulted spaces.

For more than twenty years, Circus Eruption has delivered inclusive circus activity workshops for young people across south Wales, including people with special needs or disabilities, those not in formal education, refugees, and those suffering from mental health issues. Through its integrated programme, Circus Eruption builds confidence and promotes social interaction, challenging young people to embrace an active lifestyle and learning how they can overcome fear. The former St Luke's church will provide Circus Eruption with their first ever permanent home from which to support and grow their community.

The AHF has been assisting this project over the past few years. In 2019, we awarded Circus Eruption a Project Viability Grant to undertake a condition survey of the church to determine whether its adaptation was viable. Following the successful completion of the survey and the purchase of the church, we were able to provide further funding through a Project Development Grant to develop architectural plans. Finally, in March 2020, and through a special series of grants funded by Cadw, we awarded the project a Capital Works Grant of £40,000. Works will soon commence to transform this historic church into a vibrant arts hub for Swansea's youth.

<http://www.circuseruption.co.uk/>

Caerwent House, Monmouthshire

Caerwent House dates from around 1600 and was among two principal houses in the region noted in an early nineteenth century gazetteer of Monmouthshire, but it has long been empty and had fallen into dereliction, blighting the local Conservation Area. But a compulsory purchase order in 2017 provided a beacon of hope for its future, which will be secured through a partnership between The Spitalfields Trust, Monmouthshire County Council and Cadw.

The Spitalfields Trust was established in 1976 (as the Spitalfields Historic Buildings Trust) to safeguard and preserve the Spitalfields area of East London. Among the oldest and most successful of the traditional 'Building Preservation Trusts', the Spitalfields Trust has retained its original business model of acquiring, restoring and selling historic properties whose survival is threatened and where any economically viable solution is beyond the reach of the original owner. The profits from property sales are then recycled into additional purchases in a virtuous cycle. The Trust works across London and Kent, having saved and transformed dozens of at-Risk buildings; Caerwent House is their second project in Monmouthshire, again partnering with the County Council.

The Spitalfields Trust is a longstanding client of the AHF with a record of successfully conserving and adapting extremely challenging historic buildings. In 2019, we awarded them a working capital loan of

£400,000 to undertake the repairs and adaptations needed to save Caerwent House and make it a home once again.

<https://www.thespitalfieldstrust.com/>

Northern Ireland

Riddel's Warehouse, Belfast

When William Riddel, the owner of a metals and ironmongery trading company, needed additional space in central Belfast in the middle of the 1860s, he commissioned the prominent architect Thomas Jackson to design a large, galleried warehouse facing onto a five-storey glazed atrium on Ann Street close to the docks. Lauded in the Victorian press as a triumph of purpose-built design, the building served the expanding Riddel's empire until the onset of The Troubles forced the company elsewhere in 1973. The warehouse was retained empty as a 'sacrificial wall' to protect the adjoining police station from bomb damage. Today, Grade B-listed Riddel's Warehouse remains virtually unaltered, offering remarkable testimony to the role of the iron industry in Belfast's better-known shipbuilding history.

Hearth Historic Buildings Trust has worked for nearly five decades to save derelict buildings and those at risk of demolition across Northern Ireland. Under Hearth's direction, more than 40 homes have been preserved, as well as larger structures housing community facilities, theatres and restaurants. After acquiring Riddel's Warehouse, Hearth has explored the use of the space for art and music events, and plans to develop the space for mixed uses including performance, co-working offices and commercial units, including a café.

The AHF has supported Hearth in developing this project since 2014, with three Project Viability Grants - the most recent in August 2020 - to help them explore potential end uses, engage stakeholders and refine business plans. Additionally, the project has secured a £300,000 Heritage Impact Fund loan to support the costs of capital work. While progressing thoughtfully to ensure the building finds a sustainable use, Hearth is committed to injecting new vitality into this unique piece of Belfast history.

<http://hearthni.org.uk/>

East Lighthouse, Rathlin Island

From the 1st of November, 1865, a light has shone out from the northeast corner of Rathlin Island, the northernmost part of Northern Ireland and the country's only inhabited offshore island. For most of the twentieth century, when heavy fog descended, the light was accompanied by a regular explosive blast to warn passing ships away from its rocks. While the explosions have since silenced, the Grade B1 lighthouse remains in use today but is automated, and its outbuildings - including the old explosives' store and lightkeepers' cottages - have deteriorated in condition. Now the Rathlin Development and Community Association have plans to restore the two semi-detached lightkeepers' cottages as holiday lets and the remaining buildings for a blend of tourism, local enterprise and skills-building purposes.

The Rathlin Development and Community Association (RDCA) is a volunteer body formed in 1978 to advocate for improvements to services and infrastructure on the island. Following their successful restoration of the island's Georgian Manor House as a small hotel, their vision at the East Lighthouse

encompasses a mixed-use approach that will support the local economy through increased tourism provision while also offering workshop spaces for the island's growing artistic and artisanal community. The plans are strongly supported by the Northern Ireland Executive, for whom this project has the hallmarks of an exemplar.

In March 2020, the project was awarded AHF funding for viability work including a condition survey to assess the lighthouse complex. More recently, we have offered a Project Development Grant to allow the RDCA to progress the essential enabling works required, including timber and asbestos inspections, planning and listed-building consent, water quality testing and an environmental impact study.

<http://rathlincommunity.org/rdca>

6 Financial review

a Financial overview

The AHF received unprecedented levels of restricted funding this year, including £3.45million from Department of Digital, Culture, Media and Sport (DCMS) for year one of the 'Transforming Places through Heritage' programme and a £2.25million contribution to the Heritage Impact Fund (HIF) from the National Lottery Heritage Fund. Historic England continued to fund our capacity building work on heritage at risk in England, and we benefited from increased funding in Scotland from Historic Environment Scotland, as well as ongoing funding for our Wales and Northern Ireland programmes. There were further contributions to the HIF from Department for Communities Northern Ireland (DfC) and Cadw. Cadw also provided funding that enabled AHF to make a number of capital grants in Wales.

There has been consistently strong demand for HIF funding and, in addition to £223,000 loans disbursed during the year, there were further loan commitments of £3.35m made by the year end. As these loans are drawn down in the coming year we will start to see an increase in interest receivable, which will benefit the unrestricted fund.

Income from our managed investment funds boosted unrestricted income, however the impact of Covid-19 meant we suffered a loss on investments. Whilst this loss has largely reversed in the current year to date, there remains uncertainty around the future performance of these investments, certainly in the short term.

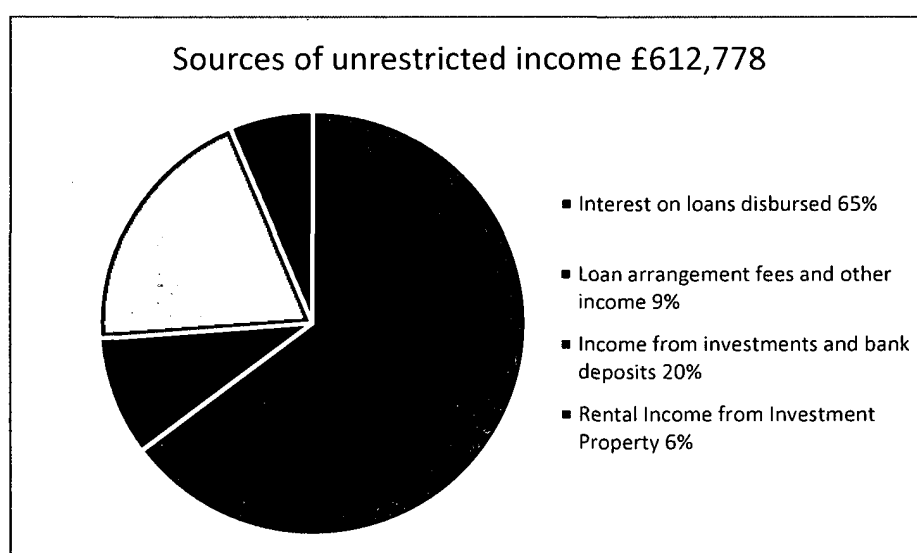
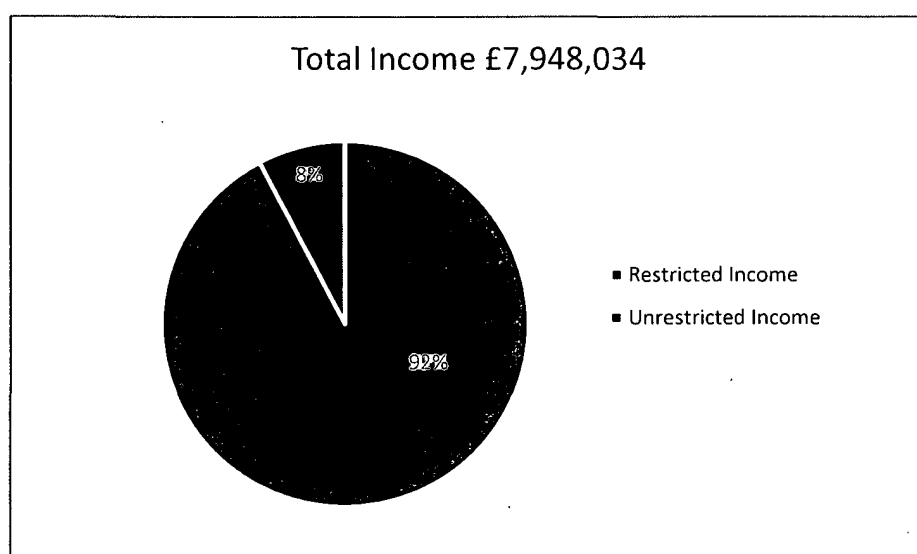
The Covid-19 lockdown measures have had a significant impact on our borrowers and we will no doubt see the financial consequences in the coming financial year. Any losses will deplete the endowment so ongoing fundraising to replenish these funds will be a priority.

Grant making expenditure increased by £2.4m, mostly driven by the scale and scope of the TPTH programme's activities, particularly the capital and revenue grants for the Heritage Development Trust pilots.

Last year's provision in relation to the lease at our previous office premises had to be increased but the lease was assigned to a new tenant in July 2020 and it is hoped that there will be no further losses in the remaining 3 years of the term (for which we act as guarantor).

We continue to focus on increasing unrestricted income whilst prudently managing costs so that the AHF remains a sustainable organisation, one able to continue delivering grants and advice to its client base. Fundraising planned for 2020/21 has had to be delayed due to Covid-19 but this will be returned to as soon as possible to enable us to continue providing investment and funding for the projects and organisations that we support and which deliver our charitable aims.

Income



Total income in the year ended 31 March 2020 amounted to £7,948,034 (2019: £2,545,873). This substantial increase was primarily due to funding for the new TPTH programme and funding for the HIF.

DCMS (through Historic England) provided over £3.45million income for the first year of the TPTH programme. This funding delivers a wide range of grants and social investment, alongside capacity building activities and support from a team of Programme Officers and consultant project advisors.

NLHF provided partner funding of £2.25m to the HIF alongside other funding from DfC (£500,000) and Cadw (£80,000).

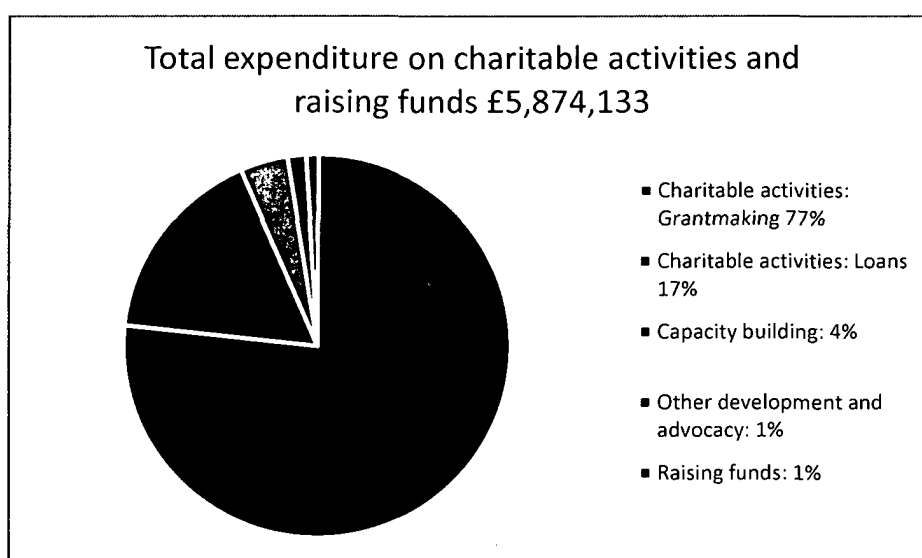
Historic England contributed £183,275 (2019: £192,000) towards grants, freelance Heritage at Risk Support Officers and overheads.

£439,421 (2019: £372,000) was received from Historic Environment Scotland; this increased level of funding supported a second Support Officer in Scotland and an expanded grants programme. Scotland grant making was further boosted by £107,000 (2019: £107,000) from the William Grant Foundation for the 'Tailored Support Fund'.

The AHF Grant programmes and Support Officers in Wales and Northern Ireland were assisted by combined income of £305,379 (2019: £169,462) from the Garfield Weston Foundation, The Pilgrim Trust, DfC and Cadw. This included £120,000 of new funding from Cadw for capital grants in Wales.

Unrestricted income increased to £612,778 (2019: £489,456), mainly due to the increased income of £121,303 (2019: 38,715) from our investments and bank deposits and a £41,000 increase in loan-related income.

Expenditure



Total expenditure on charitable activities and raising funds was £5,874,133 (2019: £2,843,875). The TPTH programme was the primary driver of this significant increase, offset by the end of the DCMS-funded 'Growing Community Enterprise through Heritage' (GCETH). The increase to the bad debt provision was another factor.

This year's expenditure included £3,907,884 grants (2019: £1,431,874). TPTH grant offers totalled £3,036,225, including over £1.5million for the Heritage Development Trust pilots, and other grant programmes benefitted from additional funding from partners including HES (£125,000) and Cadw (£120,000). This substantial increase was offset by the end of the GCETH grants programme where offers totalled £875,000 in the prior year.

Unrestricted expenditure on charitable activities was £549,599 (2019: £640,976). This year's lower level of expenditure was mainly due to higher grant making expenditure and loan-related expenditure in the prior year (the costs of setting up the HIF and additional costs incurred in preparing the successful business case for the Transforming Places through Heritage funding and in developing our new strategy).

The AHF once again contributed £5,000 (2019: £5,000) towards the Heritage Trust Network's conference. This took place in Derry in November 2019 and was an extremely successful conference and showcase for the AHF's work.

Funds

The AHF's total funds increased by £1,843,456 (2019: decrease of £388,978).

The endowment fund reduced by £845,556 (2019: £192,951 decrease) primarily due to the increase in the loan bad debt provision and the loss on investments. The unrestricted fund saw a deficit of £47,871 (2019: £355,531 deficit), again due to the loss on investments as well as the increase in the onerous lease provision.

The £2,736,883 increase in restricted funds (2019: £159,504) reflects the further significant HIF funding received during the year and of the £3,923,724 held at the year end, £3,834,536 comprises the cumulative HIF lending funds contributed by our external partners.

Total funds at 31 March 2020 were £15,582,725 (2019: £13,739,269) of which £14,927,377 (2019: £13,083,244) constituted the AHF's lending resources.

Cash flow

There was a £1,374,141 net inflow (2019: £4,180,209 outflow) of cash during the year, primarily due to the surplus for the year. Last year's outflow reflected the £4million cash placed with our external Investment Fund Managers in October 2018.

b. Remuneration

Pay

The AHF believes in recruiting high-calibre people. 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.

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

In April 2019 all employees were awarded a single cost of living pay award of 2%. During the year, the highest paid member of staff was in the £80,000 - £90,000 band (2019: £80,000 - £90,000 band). The ratio between the highest paid salary and the median AHF salary of £34,500 (2019: £39,621) was 2.41 (2019: 2.06).

Pensions

The Charity offers employees the opportunity to join its discretionary retirement savings scheme, a Group Personal Pension Plan provided and administered by The Prudential Assurance Company Ltd on behalf of the Architectural Heritage Fund. Contributions made by the AHF to the scheme in the year totalled £40,524 (2019: £29,929).

c. Reserves

The general fund constitutes the free reserves of the charity from which running costs have to be paid. To meet these needs, the Trustees aim to hold reserves of not less than one year's expenditure, based on the average annual expenditure from unrestricted funds over the previous 3 years (£566,160). Compliance with the reserves policy was met by a year-end transfer of £117,347 from the designated lending fund to the general fund (2019: £378,817).

The total value of the endowment fund can be affected by the failure of some the AHF's borrowers to repay their loan in part or in full. Bad debts are to be expected given the risks involved in the AHF's loan investments - although the AHF seeks to minimise its potential exposure to loan losses as far as possible through its assessment and loan monitoring processes. Provision for bad debt is made in the AHF's forward financial planning, and one of our objectives is to replenish and increase the value of the endowment fund through fundraising.

d. Investment policy

Money not on loan is invested with an external Investment Fund Manager, Rathbone Greenbank Investments, in accordance with the Board's Investment Policy, or kept on deposit on terms consistent with financial prudence and ready accessibility. Losses on investments were £219,901 (2019: £88,798 gain) and net income from investments and bank deposits for the year amounted to £121,303 (2019: £38,715).

e. Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. As part of the going concern review the trustees reviewed detailed budgets and cash flow forecasts to 30 September 2021 taking into account the effect the Covid-19 pandemic is having on the company's income and expenditure streams. Whilst the pandemic has increased the risk of bad debts from borrowers and delayed fundraising plans, based on these forecasts and the level of reserves available the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements as they do not consider there to be any material uncertainties about the charity's ability to continue.

7 Plans for the future

The coming year is likely to be extremely busy for the organisation as it adjusts to the new environment and deals with the ongoing consequences of coronavirus. It will be important that the Annual Plans over the next few years remain flexible to accommodate what are likely to remain very volatile environments for the sector and country as a whole. We are, however, in the advantageous position of having agreed funding programmes for the majority of our 2020-23 strategy and our focus will remain on the delivery of these. Despite the volatility, we know the aims of our strategy remain relevant post Covid.

As well as dealing with the ongoing impact of coronavirus, other notable activities over the next year to eighteen months include:

- The launch of our first Impact Report in Spring 2021
- The development of the organisation's social investment strategy
- Further fundraising for the Heritage Impact Fund and the roll out of new funds in Northern Ireland
- Delivery of grant funding programmes across England, Northern Ireland, Wales and Scotland
- Interim evaluation findings of the first year of the Transforming Places through Heritage programme
- The first full year of delivery for the Open High Streets capacity building programme
- Refocusing the fundraising plan for the organisation in the new funding environment post-Covid 19
- Further reviews of the organisation against the Charity Governance Code, including a review of the diversity principle

8 Governance statement

a. The AHF's charitable objectives and public benefit

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.

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.

b. Our values

Agreed in April 2019, the following values guide the organisation's work and strategy:

Investing in risk and new ideas

We have particular expertise as an early stage investor and believe that to help fund potentially transformative projects we need to take considered risks with our investments, both for the benefit of heritage buildings and the enterprises we support.

Diversity

We believe that we should strive to represent the diversity of the UK, through our staff and Trustees and the projects we support. We will look to invest in projects across the UK, but particularly in areas of economic disadvantage, believing heritage led regeneration can act as a catalyst for new investment and community well-being.

A learning and evidence-focussed organisation

We will learn from our programmes and activities and use evidence to help us reach decisions. We recognise that our resources and those of our clients are limited, so we will target our evidence gathering in a proportionate way and promote the most useful and effective lessons to the sector.

Expert and accessible

We have over 40 years' of experience of delivering heritage led regeneration projects. We will make this knowledge accessible to projects, often by working in partnership to increase the availability of that expertise.

Positive advocates

We will be a positive organisation and team, actively promoting the benefits that the reuse of historic buildings can bring to 21st century places and communities and working to help places realise their ambitions.

Supportive over the long-term, challenging and empathetic

We recognise the challenges inherent in complex heritage projects and the demands these can place on organisations, particularly those led by volunteers. We will be supportive of projects during difficult times but, where necessary, challenge projects in their thinking. We have supported some organisations for over 40 years and we continue to believe in the value of building long-term relationships.

Taking ownership

As a small organisation, collaboration and taking ownership are a vital part of our organisational culture. We take responsibility across teams and activity areas, looking to own the work of the whole organisation, actively participating in improving and developing it.

c 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 Board is willing to assume.

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

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

- A comprehensive risk management framework – including a risk management policy and guidance and risk register - which meets the Charity Commission's requirements. This consists of different stages, from understanding the risk environment through risk identification, analysis and evaluation to risk treatment.

- The maintenance of a risk register, which is reviewed regularly by the Senior Management Team and twice a year by the Audit & Risk Committee. 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. The organisation also maintains risk registers for two of the most significant and new AHF programmes, the HIF and Transforming Places through Heritage.
- As well as the risk register, the organisation now also undertakes a PESTLE analysis of the risks facing the organisation to enable the Audit and Risk Committee and the Trustees to assess risk through the political, social, economic, technological, legal and environmental frame.

The Board reviews the key risks following the Audit and Risk Committee's bi-annual review.

Covid-19

Covid-19 has had a significant impact on the organisation. The organisation itself has managed to deal with the immediate disruption to its operation and has continued to deliver its services and make funding decisions as normal, albeit within the restrictions imposed by lockdowns and the requirements for social distancing. In terms of the projects the organisation works with and funds, nearly all are negatively impacted by Covid-19 in some way. Those that are at the early stages of capital project development have been able to pause projects and the main impact upon them will be the likely disruption to capital funding availability over the next years. For many of the operational projects we support, which is a significant number of the loan clients, we have been in close liaison with them since March as the virus took hold. We have awarded repayment holidays to most of the loan portfolio to help them manage the major drop in funding many have experienced (albeit some of this has been offset by the award of emergency funds from other funders). To address the risk of bad debt within the portfolio, we have remained in regular contact with individual projects to assess the risks they face and have also increased the general bad debt provision to 11% of outstanding loan capital to help mitigate this risk. The ongoing ripple effects will continue to be experienced over the coming months and years and will affect a number of key areas of the business, including the size of our endowment, the income we receive from lending and our fundraising objectives.

Below is a snapshot of current headline risks and the organisation's approach to management of those risks.

Risk Area	Risk Description	Risk Management
External Environment	Current external funding dries up (in the short term it is secure but there is a longer term risk due to public finances deterioration)	Public funding situation in medium / long term very uncertain due to Covid. Fundraising plan to be adapted to new environment and remain focused on diversifying income sources.
Talent	Staff capacity in light of Covid e.g. school closures	Regular review of workloads between line managers and team members. Regular discussion at SMT level and reporting to trustees of any key issues.
Operational	The delivery of the Heritage Impact Fund and Transforming	Pipeline for both funds remain strong. Additional scrutiny of project and business

	Places programme impacted by Covid.	plans taking place. Requesting contingency plans from applicants.
Financial	Borrowers defaulting and bad debt	Close monitoring of clients by Investment Team during the crisis. Payments for many paused. Planning loan restructures for many to enable them to come through the crisis. General bad debt provision increased to 11%.
	Investment fund loses capital	Investment fund lost capital in initial Covid crisis period but has recovered since. Regular contact with Rathbone Greenbank AHF's Investment Managers.
Infrastructure	Safe working environment in light of Covid restrictions	Covid office management plan and site visits policy developed to create safer working environment.

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

c. Structure, governance and management

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

The AHF is regulated by the Financial Conduct Authority and is recorded on the Financial Services Register (number 707421).

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

d. Board of Trustees

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

The Board comprises up to 11 appointed Trustees, including the Chairman, who contribute a diverse range of expertise and who represent the whole of the UK.

The AHF recognises that an effective Board of Trustees is essential if the charity is to be effective in achieving its objects. The Board must seek to represent the people with whom the charity works and must have available to it all of the knowledge and skills required to run the charity.

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.

Committees

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

Audit and Risk Committee

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

Nominations Committee

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

Credit Panel

The Credit Panel makes decisions on loans below £500, 000 (this was increased by the Board from the previous level of £250, 000 in March 2020) and makes recommendations to the Board on loan applications above that threshold. The Panel currently comprises three AHF Board members, the CEO and a co-opted member, Esther Robinson Wild, an independent consultant. The Panel met four times during the year.

The Heritage Impact Fund Credit Panel

The Heritage Impact Fund (HIF) Credit Panel was established in March 2018 to make decisions on HIF loans below £500, 000 (this was increased by the Board from the previous level of £250, 000 in March 2020) and to make recommendations to the Board on applications above that threshold. The HIF Credit Panel currently comprises three AHF Board members, the CEO, and a co-opted member, Esther Robinson Wild, an independent consultant. There is an observer to the Panel, Hannah Stranger Jones, Head of Research and Impact for UnLtd, who advises on social impact measurement. Historic England and the National Lottery Heritage Fund are also observers to the Panel.

Grants Panel

The Panel comprises four Trustees representing England, Northern Ireland, Scotland and Wales, and the Chief Executive. The Operations Manager is its Secretary. It meets quarterly. Terms of appointment are for 3 years but are synchronised with the serving terms of trustee appointments. The Chairman revolves around the four Trustees on an annual basis. The Panel met three times during the year.

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

Board		Board Committees				
Trustees	Year of appointment	Audit & Risk	Credit Panel	HIF Credit Panel	Grants Panel	Nominations Committee
Myra Barnes	2013	✓	✓	✓		
James Bowdidge	2019		✓	✓		
Susan Brown (resigned June 2020)	2017					
Ade Alao	2018		✓	✓		
Kate Dickson	2013				✓	✓
Graham Fisher	2019				✓	
David Hunter (Chair of the Credit Panel)	2017		✓	✓		
Roy Hodson (Chair of Audit & Risk Committee)	2016	✓				✓
Richard Keen (resigned June 2020)	2014				✓	
Karen Latimer (Chair of Grants Panel)	2018				✓	
Elizabeth Peace (Chairman)	2014					✓
Suzanne Snowden	2017	✓				
Eleanor McAllister	2018				✓	

Trustees

Liz Peace CBE *Chairman*

Liz Peace has more than 35 years' experience in government and the property sector. She spent her early career in the Ministry of Defence, eventually becoming a key player in the team that created QinetiQ plc. She subsequently served as Chief Executive of the British Property Federation (BPF) for thirteen years where she regards her key achievement as being the introduction of Real Estate Investment Trusts (REITS). She was awarded a CBE in 2008 for services to the property industry.

Having retired from the BPF at the end of 2014, Liz now has a portfolio career with a range of non-executive, advisory and charity roles. She is a non-executive director at RDI REIT plc, RPS Group plc, Howard de Walden Estates and the Connected Places Catapult; Chairman of the Centre for London and President of the Property Litigation Association; and a Trustee of the Churches Conservation Trust. In 2017 Liz was appointed Chairman of the Old Oak and Park Royal Development Corporation (OPDC). In

2018 she became Chairman of the Sponsor Board for the Palace of Westminster Restoration and Renewal Programme.

Ade Alao

Ade Alao is Head of Major Programmes (Global Estates) at the British Council. He was previously Head of Investment and Development at Tameside Council. He brings considerable expertise in regeneration, housing and local economic development having held senior roles in local government for over 20 years. His previous Non-Executive Director appointments include serving as Chair of Northwards Housing and Vice Chair of Salix Homes - both major housing associations in Greater Manchester.

Myra Barnes

Myra has forty years' experience in property and development from working in local government and private sector organisations. She is a Chartered Town Planner currently working as a partner in a town planning consultancy. Myra brings extensive experience in the redevelopment of brownfield sites for new uses having been Head of Planning for National Grid Property. She worked on the development of Canary Wharf and adjacent major redevelopments in the Isle of Dogs whilst at Olympia & York and on other areas of the Docklands regeneration during her time at London Docklands Development Corporation

James Bowdidge

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

Susan Brown (resigned June 2020)

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 led 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. Sue is now the CEO of Real Estate Balance.

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 supports the heritage building trust sector in a voluntary capacity as a member of the Midlands Committee of the Heritage Trust Network.. Kate is a registered architect and a membership assessor for the Institute of Historic Building Conservation. She is a

Governor of her former school, Manchester High School for Girls, where she chairs the Estates Committee.

Graham Fisher

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

Roy Hodson (Chair of Audit & Risk Committee)

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

David Hunter (Chair of the Credit Panel)

David Hunter is a professional Non-executive Director and Strategic Adviser focused principally on UK and International real estate. He is currently either Chairman or Non-executive Director of various companies, listed and unlisted, overseeing investments in the UK and overseas. David is an Honorary Professor of Real Estate at Heriot-Watt University and until recently sat on the Board of Design Dundee Ltd which created the iconic V&A Museum in Dundee.

Richard Keen (resigned June 2020)

Richard Keen is a consultant specialising in working with local communities in developing heritage as an aid to economic and cultural regeneration. He has over forty years' experience working in Welsh heritage including employment with the National Museum of Wales and the National Trust. He is currently the Chair for Wales of the Heritage Trust Network, Trustee of the Welsh Georgian Trust, Director of the Commodum Trust, Trustee of the Land Phil Global Trust and the Pembrey Mountain Trust.

Karen Latimer OBE (Chair of the Grants Panel)

Karen is a member of the UK Designing Libraries Advisory Board and the LIBER European Research Libraries Architecture Forum, as well as various other bodies. In parallel with her professional career she has over 35 years' experience in the architectural heritage sector in Northern Ireland and is currently on the Board of Hearth Historic Buildings Trust (previously Hearth Housing Association and Revolving Fund which she chaired 2000-2015) and is Publications Editor for the Ulster Architectural Heritage Society.

Eleanor McAllister OBE

Eleanor McAllister is both an economist and a town planner and has worked for over 25 years in the west of Scotland using both these disciplines in developing and implementing regeneration projects. She was Director of the Glasgow Building's Preservation Trust in the 80's and continued to work on

capital delivery projects in local government for the next 15 years, including three years as Deputy Director of the Glasgow 1999 Festival Company. Eleanor was also the Managing Director of Clydebank Re-built, one of six Scottish urban regeneration companies.

Suzanne Snowden

Suzanne is a Director at Message Consulting Ltd., a marketing and communications consultancy. Previously, she held senior roles in professional services marketing, most recently as Director of PwC's Global Thought Leadership programme where she led the firm's research, marketing and insights generation activities. Suzanne brings experience with clients in multiple sectors, advising on brand positioning, thought leadership and social media marketing.

Executive

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

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

The AHF's employees

Matthew Mckeague – CEO

Kelcey Wilson-Lee – Head of Programmes & Impact

Andy Richardson – Head of Investment

Fiona Hollands – Head of Finance and Company Secretary

Gavin Richards – Transforming Places Manager (England)

Gordon Barr – Development Manager (Scotland)

Jo Robertson – Support Officer (Scotland)

Adam Hitchings – Support Officer (Wales)

Rita Harkin - Support Officer (Northern Ireland)

Asha Karbhari – Investment Manager

Madeleine Blyth – Investment Officer (from March 2020)

Ian Rice - Investment Officer (resigned February 2020)

Oliver Brodrick-Ward – Administrator and Team Coordinator

Umedha de Zoysa – Finance Assistant

Josephine Brown - Programme Officer (South West England)

Louise Stewart – Programme Officer (South West England)

Mandy Hall – Programme Officer (West Midlands)

Laura Williams – Programme Officer (London, South East & East of England)

Annoushka Deighton – Programme Officer (North West)

Emily Knight – Programme Officer (East Midlands, Yorkshire & Humber and North East)

Fay McCulloch - Monitoring & Impact Officer

Professional Advisers:

Solicitors:

- Bates Wells 10 Queen Street Place, London EC4R 1BE
- Brechin Tindal Oatts, 48 St Vincent Street, Glasgow G2 5H
- Morton Fraser, Quatermile Two, 2 Lister Square, Edinburgh EH3 9GL
- Farrer and Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH

Auditors:

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

Insolvency Advisor:

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

Bankers:

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

Accounts are also held with National Westminster Bank plc.

Investment Manager

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

9 Benefactors, Partners and Friends

We are immensely grateful to our funders and to the trusts and foundations and individuals who gave so generously to the Architectural Heritage Fund during 2019-20.

Benefactors (£20,000 or more)

- UK Government
- Historic England
- Historic Environment Scotland
- Cadw
- Department for Communities Northern Ireland
- National Lottery Heritage Fund

Charities

- The Garfield Weston Foundation
- The Pilgrim Trust
- Cywaith: Gwynedd BPT

Others

- William Grant Foundation

The Architectural Heritage Fund Statement of Trustees' Responsibilities

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

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

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

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

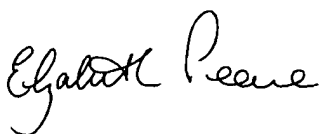
In so far as the trustees are aware:

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

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

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

Signed on behalf of the Board:



Liz Peace
Chairman

24 September 2020

The Architectural Heritage Fund
Independent Auditor's Report to the Trustees of The Architectural Heritage Fund

Opinion

We have audited the financial statements of the Architectural Heritage Fund ('the charitable company') for the period ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

The Architectural Heritage Fund
Independent Auditor's Report to the Trustees of The Architectural Heritage Fund

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable 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) require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 44 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as 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 regulations made under 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.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.

The Architectural Heritage Fund
Independent Auditor's Report to the Trustees of The Architectural Heritage Fund

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the 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 so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Date: 24th September 2020

Luke Holt, FCA (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor
Devonshire House, 60 Goswell Road, London, EC1M 7AD

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

The Architectural Heritage Fund
Statement of Financial Activities for the year ended 31 March 2020

	Note	Endowment fund £	Restricted fund £	Unrestricted fund £	2020 total £	2019 total £
Income and endowments from:						
Donations and legacies						
Donations and legacies from individuals and corporations		-	-	1,403	1,403	727
Government grants	4	-	7,116,604	-	7,116,604	1,845,456
Other grants	5	-	218,652	-	218,652	210,961
		-	7,335,256	1,403	7,336,659	2,057,144
Charitable activities						
		-	-	55,414	55,414	58,466
		-	-	55,414	55,414	58,466
Investments						
Bank Interest/Dividends receivable		-	-	121,303	121,303	38,715
Interest receivable - on loans disbursed		-	-	395,995	395,995	352,378
Rent receivable		-	-	38,663	38,663	39,170
		-	-	555,961	555,961	430,263
Total income		-	7,335,256	612,778	7,948,034	2,545,873
Expenditure on:						
Raising funds						
Generating voluntary income		-	-	12,085	12,085	6,916
Investment management - financial		-	-	28,976	28,976	2,861
Investment management - property		-	-	18,160	18,160	17,257
		-	-	59,221	59,221	27,034
Charitable activities						
Loan and grant						
Repayment of loans previously provided for	6	-	-	-	-	(3,027)
Increase in the loan bad debt provision	6	666,940	18,508	43,426	728,874	311,225
Other loan-related activities		-	134,693	121,457	256,150	259,091
Grant making		-	4,326,073	181,497	4,507,570	1,920,767
		666,940	4,479,274	346,380	5,492,594	2,488,056
Development and advocacy						
Capacity building		-	119,099	112,518	231,617	250,705
Impact reporting, evaluation and communications		-	-	85,701	85,701	73,080
Contribution to the Heritage Trust Network		-	-	5,000	5,000	5,000
		-	119,099	203,219	322,318	328,785
Total expenditure on charitable activities		666,940	4,598,373	549,599	5,814,912	2,816,841
Other						
Increase in onerous lease provision		-	-	22,544	22,544	179,774
Total other costs		-	-	22,544	22,544	179,774
Total expenditure before gains/(losses) on investments	7	666,940	4,598,373	631,364	5,896,677	3,023,649
Net (losses)/gains on investments	13	(206,116)	-	(13,785)	(219,901)	88,798
Gain on revaluation of investment property	14	12,000	-	-	12,000	-
Net income/(expenditure)		(861,056)	2,736,883	(32,371)	1,843,456	(388,978)
Transfers between funds	21	15,500	-	(15,500)	-	-
Net movement in funds	21	(845,556)	2,736,883	(47,871)	1,843,456	(388,978)
Reconciliation of funds						
Balances at 1 April 2019		10,622,095	1,186,841	1,930,333	13,739,269	14,128,247
Balances at 31 March 2020	21	9,776,539	3,923,724	1,882,462	15,582,725	13,739,269

All amounts relate to continuing activities.

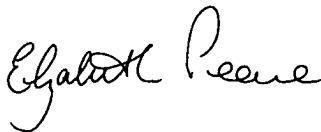
All recognised gains and losses are included in the Statement of Financial Activities.

The notes on pages 51 to 63 form part of these financial statements.

The Architectural Heritage Fund
Balance Sheet as at 31 March 2020

		2020		2019
		£	£	£
Fixed assets				
Investments	13		3,839,780	4,079,262
Investment property	14		630,000	618,000
Other tangible assets	15		-	-
Programme related investments:				
Loans disbursed for preservation projects	16		6,582,702	5,996,997
Total fixed assets			11,052,482	10,694,259
Current assets				
Debtors:				
Loan interest receivable		243,629	234,114	
Government grants receivable		1,871,196	214,187	
Other accrued income and prepayments		69,683	7,915	
		<u>2,184,508</u>	<u>456,216</u>	
Cash at bank and in hand		7,390,154	5,353,503	
		<u>9,574,662</u>	<u>5,809,719</u>	
Creditors: amounts falling due within one year	17	(4,652,567)	(2,384,935)	
Net current assets			4,922,095	3,424,784
Creditors: amounts falling due over one year	18	(328,429)	(200,000)	
Provision	19	(63,423)	(179,774)	
Net assets		15,582,725	13,739,269	
Funds	20,21			
Endowment fund			9,776,539	10,622,095
Restricted fund			3,923,724	1,186,841
Unrestricted funds				
Designated lending fund		1,316,302	1,433,649	
General fund		566,160	496,684	
		<u>1,882,462</u>	<u>1,930,333</u>	
Total funds		15,582,725	13,739,269	

The financial statements were approved by the Board and authorised for issue, on 24 September 2020 and signed on their behalf by:



Liz Peace
Chairman

Date: 24th September 2020



Roy Hodson
Chairman of the Audit & Risk Committee

Date: 24th September 2020

The Architectural Heritage Fund

Company limited by guarantee registration number 01150304

The Architectural Heritage Fund
Statement of Cash Flows for the year ended 31 March 2020

	Note	2020 £	2019 £
Net cash provided by/(used in) operating activities	22	1,461,109	(1,337,813)
Cash flows from investing activities:			
Interest and rents from investments		555,961	430,263
Purchases of investments		(2,439,363)	(2,695,864)
Proceeds from investment disposals		1,196,434	23,206
Change in long term cash deposits held in the investment portfolio		600,000	(600,000)
Net cash used in investing activities		<u>(86,968)</u>	<u>(2,842,395)</u>
 Increase/(decrease) in cash and cash equivalents in the year		 1,374,141	 (4,180,208)
Cash and cash equivalents at the beginning of the year		6,071,309	10,251,517
Total cash and cash equivalents at the end of the year	23	<u>7,445,450</u>	<u>6,071,309</u>

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

1 Company status

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

2 Accounting policies

Basis of preparation

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

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

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

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. As part of the going concern review the trustees reviewed detailed budgets and cash flow forecasts to 30 September 2021 taking into account the effect the Covid-19 pandemic is having on the company's income and expenditure streams. Whilst the pandemic has increased the risk of bad debts from borrowers, slowed down the grant making programmes and delayed fundraising plans, based on these forecasts and the level of reserves available the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements as they do not consider there to be any material uncertainties about the charity's ability to continue.

Income

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

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

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

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

Loans

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

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

2 Accounting policies (continued)

Loans (continued)

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

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

Bad debt expense

The general bad debt provision is estimated at 8.3% for the loans falling under the Heritage Impact Fund Activities. The general bad debt provision is estimated at 11% for the loans falling under the Charity's Endowment activities. See note 6 for further details.

Any change in the bad debt on loan interest receivable for the year is taken to be the impact on unrestricted revenue reserves. Bad debt expense incurred on the capital element of a loan as part of the Heritage Impact Fund is taken to the restricted funds. Any other bad debt expense required is taken against the endowment fund.

Grants

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

Non-refundable grants offered are accounted for on an accruals basis and are disbursed when the recipient has fulfilled certain conditions that are individual to the particular case. Where the timing of the disbursement of grants cannot be reliably estimated all non-refundable grants offered but not yet disbursed at the balance sheet date are included in the balance sheet as Creditors: amounts falling due within one year. The disbursement schedule for the non-refundable HDT revenue grants can be reliably estimated and undisbursed grants held on the balance sheet at year end have been allocated between creditors: amounts falling due within one year and creditors: amounts falling due over one year.

Resources expended

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

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

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

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

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

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.

Fixed asset investments

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

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

2 Accounting policies (continued)

Tangible fixed assets

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

Computer equipment 3 years

Programme related investments

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

Cash and cash equivalents

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

Provision

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

Financial instruments

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

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

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

Taxation

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

Employee benefits

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

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

Retirement benefits

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

Leases

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

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

2 Accounting policies (continued)

Fund accounting

Endowment fund

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

Designated lending fund

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

General fund

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

Restricted funds

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

3 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

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

(i) Investment property

The carrying value of the investment property at 31 March 2020 is based on a valuation carried out by an independent valuer who has the necessary skills and proficiency to undertake the valuation in a competent manner. The valuation was made on an open market basis and in determining the market value the valuer has drawn upon comparable market transactions in the local area. The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards (effective from 31/01/2020) and with reference also to the UK National Supplement (effective from 14/01/2019). As a result of the outbreak of Covid-19 and uncertainty in the property sector the report included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. The trustees have concluded that while a materiality valuation uncertainty exists in the report this does not impact the true and fair view of these financial statements. The trustees continue to keep the market value of the property under regular review.

(ii) Bad debt provision

The charitable company makes an estimate of the recoverable value of loan debtor balances. When assessing impairment of these, management considers factors including the current credit rating of the debtor, their financial performance, the payment profile, the general economic environment and historical experience. The Coronavirus pandemic is having an adverse impact on the financial and trading pressures of the heritage and community sector which Architectural Heritage Fund serves through its loans portfolio. As a result the general bad debt provision (excluding restricted activities in relation to the Heritage Impact Fund) has increased from 8.3% to 11% to reflect the recoverability of these loans. See note 6 for details of the impairment provision made.

(iii) Provision

The charitable company has made an estimate for the provision in relation to its obligations under the Whitehall office lease and this is amended where necessary to reflect the latest information available. The provision is sensitive to changes to factors outside of the control of the charity. See note 20 for further information of the expected timing and payment of the provision.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

4 Analysis of government grants receivable	Endowment fund £	Restricted funds £	2020 total £	2019 total £
Historic England : Transforming Places Through Heritage	-	3,454,464	3,454,464	-
Historic England: Capacity Building	-	183,275	183,275	1,249,811
Historic England: Heritage Impact Fund	-	1,242	1,242	58,252
National Lottery Heritage Fund: Heritage Impact Fund	-	2,264,475	2,264,475	-
Historic Environment Scotland	-	439,421	439,421	371,892
Cadw: Welsh Historic Environment service	-	148,560	148,560	28,000
Dept for Communities Northern Ireland: Heritage Impact Fund	-	500,000	500,000	-
Dept for Communities Northern Ireland	-	45,167	45,167	37,501
Cadw: Heritage Impact Fund	-	80,000	80,000	100,000
	-	<u>7,116,604</u>	<u>7,116,604</u>	<u>1,845,456</u>

5 Other grant income	Endowment fund £	Restricted funds £	2020 total £	2019 total £
William Grant Foundation	-	107,000	107,000	107,000
Garfield Weston	-	50,000	50,000	50,000
The Pilgrim Trust	-	61,652	61,652	53,961
	-	<u>218,652</u>	<u>218,652</u>	<u>210,961</u>

6 Losses on loans and adjustments to the bad debt provision

	Endowment fund £	Restricted funds £	Unrestricted funds £	2020 total £
Repayment of loans previously provided for	-	-	-	-
	-	-	-	-
Increase/(decrease) in the loan bad debt provision:				
Loan capital specific	(30,000)	-	-	(30,000)
Loan capital general	696,940	18,508	-	715,448
Loan interest specific	-	-	-	-
Loan interest general	-	-	43,426	43,426
	<u>666,940</u>	<u>18,508</u>	<u>43,426</u>	<u>728,874</u>

	Endowment fund £	Unrestricted funds £	2019 total £
Repayment of loans previously provided for	(3,027)	-	(3,027)
	<u>(3,027)</u>	<u>-</u>	<u>(3,027)</u>
Increase/(decrease) in the loan bad debt provision:			
Loan capital - endowment - specific	450,029	-	450,029
Loan capital - endowment - general	(168,050)	-	(168,050)
Loan interest	-	29,246	29,246
	<u>281,979</u>	<u>29,246</u>	<u>311,225</u>

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 and was subsequently updated to 8.3% during 2018/19. In 2019/20 the bad debt general provision (excluding the Heritage Impact Fund restricted loans) was increased to 11% to reflect difficult financial and trading conditions due the Impact of the Coronavirus pandemic. As explained in note 3 the general provision is reviewed and if necessary adjusted each year based on up to date information.

Loans disbursed and loan interest receivable are stated after provisions for impairment amounting to £1,315,166 (2019: £822,893).

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

7 Analysis of total resources expended	Staff costs (Note 10)	Grants (Note 8)	Direct costs	Publication costs	Heritage Trust Network	Onerous lease provision	Support costs			2020 Total	2019 Total
							Premises costs	Depreciation	Other costs		
	£	£	£	£	£	£	£	£	£	£	£
Resources expended											
Costs of generating funds (unrestricted)	-	-	-	-	-	-	2,527	-	56,694	59,221	27,033
Loan-related activities	109,227	-	99,397	-	-	-	6,016	-	770,385	985,025	567,290
Grant making	351,620	3,748,164	210,475	-	-	-	12,031	-	185,280	4,507,570	1,920,767
Capacity building	138,059	-	-	-	-	-	10,527	-	83,032	231,617	250,705
Impact reporting, evaluation and communications	56,933	-	-	12,219	-	-	1,504	-	15,045	85,701	73,080
Net contribution to the Heritage Trust Network	-	-	-	-	5,000	-	-	-	-	5,000	5,000
Other - change in provision	-	-	-	-	-	22,543	-	-	-	22,543	179,774
2020 total	655,838	3,748,164	309,872	12,219	5,000	22,543	32,605	-	1,110,436	5,896,677	3,023,649
2019 total	474,620	1,451,874	23,072	13,075	5,000	179,774	34,906	-	841,328	3,023,649	

Loan-related activities include a net increase of £728,874 (2019: £311,225) in the provision for bad debts, as detailed in Note 6.

Other support costs include:

	2020	2019
	£	£
General office and administration	54,362	46,379
Accommodation, travel & subsistence	27,026	27,108
Increase in the provision for bad debts	728,874	311,225
Investment property management (external)	16,156	14,396
Investment management fees (external)	26,972	2,861
Regional support initiative	195,352	288,354
Other costs	23,337	122,328
Governance costs	38,357	28,677
	1,110,436	841,328

Expenditure on charitable activities was £5,814,912 (2019: £2,816,841) of which £666,940 (2019: £278,952) was attributable to endowment funds, £4,598,373 (2019: £1,896,913) to restricted funds and £549,599 (2019: £640,976) to unrestricted funds.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

8 Non-refundable grants

	Offered £	Withdrawn £	2020 Net charge £	2019 Net charge £
Core initiatives:				
England				
<i>Transforming Places through Heritage (DCMS)</i>				
Project viability	350,232	-	350,232	-
Project development	833,370	-	833,370	-
Transformational project (incl HDT capital)	1,198,350	-	1,198,350	-
Crowdfunding Challenge	99,980	-	99,980	-
HDTs (revenue)	537,643	-	537,643	-
<i>Growing Community Enterprise through Heritage (DCMS)</i>				
Project viability	57,970	(40,714)	17,256	260,335
Project development	49,516	(66,678)	(17,162)	618,658
<i>National Capacity Building - HE</i>				
Project viability	32,415	-	32,415	22,850
Project development	37,585	-	37,585	62,130
Scotland				
<i>Main Scotland (HES)</i>				
Project viability	111,039	(29,308)	81,731	105,478
Project development	263,523	(26,305)	237,218	239,564
HTN (Scotland officer)	20,000	-	20,000	20,000
<i>William Grant Foundation</i>				
Project viability	25,500	(689)	24,811	7,500
Project development	78,000	-	78,000	7,500
Wales				
Project viability	30,900	-	30,900	15,775
Project development	45,605	(11,665)	33,940	63,979
Capital works	120,000	-	120,000	-
Northern Ireland				
Project viability	28,206	(1,361)	26,845	13,071
Project development	8,050	(3,000)	5,050	15,034
Total	3,927,884	(179,720)	3,748,164	1,346,396

Number of grants:		2020	2019
Project viability		75	92
Project development		63	86
Capital		7	-
Other		8	-
		153	178

Restricted grant making expenditure of £4,326,073 (2019: £1,767,166) in the Statement of Financial Activities also includes Support Officer costs and grant related overheads.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

9 Net movement in funds	2020	2019
	£	£
Net movement in funds is arrived at after charging:		
Auditors' remuneration - current year audit	16,980	18,452
Auditors' remuneration- non-audit services	11,772	5,940
Operating lease charges - land and buildings	20,000	20,000
Operating lease charges- office equipment	3,745	2,277

10 Employees	2020	2019
	number	number
Average monthly number of employees during the year	15	9
The number of employees whose remuneration exceeded £60,000 was:		
£80,000-£89,999	1	1

Key management comprises the trustees and the chief executive. Total key management personnel remuneration was £99,779 (2019: £96,751).

Staff costs comprise:	2020	2019
	£	£
Salaries	550,911	393,495
Social security costs	56,207	40,592
Pension contributions	40,524	29,929
Other staff costs	8,196	10,604
	<u>655,838</u>	<u>474,620</u>

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 2020 no pension contributions were outstanding (2019: £Nil) .

11 Members of the Board

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

During the year, 7 Members (2019 - 6) of the Board incurred expenses for travel and subsistence amounting to £5,496 (2019: £1,881); none received any remuneration from the AHF.

12 Commitments

Loan commitments	2020	2019
The AHF had the following loan commitments at the year end:	£	£
Contracted but not yet fully disbursed	524,688	612,500
Offered but not yet contracted	3,520,000	2,325,000
Total Commitments	<u>4,044,688</u>	<u>2,937,500</u>

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

12 Commitments (continued)

Operating leases

At 31 March 2020 the total of the AHF's future minimum lease payments under non-cancellable operating leases was:

	2020	2019
	£	£
Amounts due within one year	102,984	106,773
Amounts due between two and five years	98,665	191,250
	<u>201,649</u>	<u>298,023</u>

13 Fixed asset investments

	2020	2019
	£	£
Listed investments		
Market Value at 1 April 2019	2,761,456	-
Additions	2,439,363	2,695,864
Disposal proceeds	(1,196,434)	(23,206)
Unrealised (losses)/gains	(211,714)	88,012
Realised (losses)/gains	(8,187)	786
Market Value at 31 March 2020	<u>3,784,484</u>	<u>2,761,456</u>
Historical cost of investments at 31 March 2020	<u>3,911,474</u>	<u>2,673,451</u>
Analysis of investments		
Listed equities	2,292,212	2,154,256
Treasury bills	901,812	-
UK investment grade bonds	590,460	607,200
	<u>3,784,484</u>	<u>2,761,456</u>
Cash held in the investment portfolio	55,296	417,806
12 Month cash deposits	-	600,000
3 Month cash deposits	-	300,000
Market Value of investments at 31 March 2020	<u>3,839,780</u>	<u>4,079,262</u>

Reconciliation of net (losses)/gains in the Statement of Financial Activities

	2020	2019
	£	£
Unrealised (losses)/gains	(211,714)	88,012
Realised (losses)/gains	(8,187)	786
Net (losses)/gains as per Statement of Financial Activities	<u>(219,901)</u>	<u>88,798</u>

Significant investment holdings based on market value at 31 March 2020 were:

	Market Value (£)	Cost (£)
Treasury 0% T-Bill 14/04/2020	299,976	299,485
Treasury 0% T-Bill 18/05/2020	601,836	601,011

14 Investment property

	2020	2019
	£	£
Friars Walk, Market Place, Burton upon Trent, Staffordshire: market value at year end	<u>630,000</u>	<u>618,000</u>

Friars Walk was acquired by the AHF in April 2009 in full settlement of an overdue loan on the property, at a book value of £500,000, with capital and interest losses having been fully provided for in previous years. The fair value of £630,000 is in accordance with a valuation by an independent examiner dated 19 August 2020. A £12,000 gain in revaluation has been recognised in the Statement of Financial Activities. The valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards (effective from 31/01/2020) and with reference also to the UK National Supplement (effective from 14/01/2019). As a result of the outbreak of Covid-19 and uncertainty in the property sector the report included a 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. See note 3 for further information on critical judgements.

15 Other tangible assets

	Computer equipment
	£
Cost	
Cost at 1 April 2019 and 31 March 2020	<u>17,237</u>
Depreciation	
Depreciation 1 April 2019 and 31 March 2020	<u>17,237</u>
Net book value	
Net book value 1 April 2019 and 31 March 2020	<u>-</u>

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

16 Loans disbursed for preservation projects	2020 £	2019 £
Loan capital	7,819,530	6,766,405
Refundable project development grants	-	12,255
Loan capital bad debt provision	<u>(1,236,828)</u>	<u>(781,663)</u>
	<u>6,582,702</u>	<u>5,996,997</u>

Programme related investments are stated net of provisions of £1,236,828 (2019: £781,663) and include £6,159,729 in loans outstanding which are due for repayment after more than one year (2019: £4,553,203).

17 Creditors	2020 £	2019 £
Outstanding non-refundable grant offers	4,095,758	2,029,176
Historic England - Challenge fund advance	200,000	200,000
Garfield Weston - Support officer and grants programme deferred income	175,000	50,000
Trade creditors	80,656	8,936
Tax and social security	18,275	12,260
Accruals and deferred income	<u>82,878</u>	<u>84,563</u>
	<u>4,652,567</u>	<u>2,384,935</u>

Deferred income

Deferred income as at 1 April 2019	56,442	232,994
Amount added	175,000	-
Income released in the year	<u>(52,542)</u>	<u>(176,552)</u>
Deferred income as at 31 March 2020	<u>178,900</u>	<u>56,442</u>

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

18 Creditors greater than 1 year	2020 £	2019 £
Historic England - Challenge fund advance	-	200,000
Outstanding non-refundable grant offers	<u>328,429</u>	<u>-</u>
	<u>328,429</u>	<u>200,000</u>

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

19 Provision	2020 £	2019 £
Provision		
Balance as at 1 April 2019	179,774	-
Amount allocated in the year	22,544	179,774
Amount released in the year	<u>(138,895)</u>	<u>-</u>
Balance as at 31 March 2020	<u>63,423</u>	<u>179,774</u>

In 2015, we assigned the lease of our office premises at 15 Whitehall to a new tenant. This tenant went into administration during the year ended 31 March 2019 and due to our automatic guarantee agreement with the landlord, and the fact that no other tenant had been found, we were required to provide for our obligations until the lease ends in June 2023. On 7th July 2020 we secured a new tenant and the provision has been updated to reflect our latest estimated obligations until the end of the lease. See note 3 for further information on critical judgements.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

20 Analysis of net assets by fund

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds 2020 £
Fund balances at 31 March 2020 represented by:				
Fixed assets - investment property	630,000	-	-	630,000
Fixed assets - programme related investments	6,378,225	204,477	-	6,582,702
Fixed assets - investments	2,340,844	-	1,498,936	3,839,780
Current assets	427,470	8,518,434	628,758	9,574,662
Current liabilities	-	(4,470,758)	(181,809)	(4,652,567)
Non current liabilities	-	(328,429)	-	(328,429)
Provision	-	-	(63,423)	(63,423)
Total net assets	9,776,539	3,923,724	1,882,462	15,582,725

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds 2019 £
Fund balances at 31 March 2019 represented by:				
Fixed assets - investment property	618,000	-	-	618,000
Fixed assets - programme related investments	5,996,937	-	-	5,996,937
Fixed assets - investments	2,572,062	-	1,507,260	4,079,322
Current assets	1,435,096	3,666,017	708,606	5,809,719
Current liabilities	-	(2,279,176)	(105,759)	(2,384,935)
Non current liabilities	-	(200,000)	-	(200,000)
Provision	-	-	(179,774)	(179,774)
Total net assets	10,622,095	1,186,841	1,930,333	13,739,269

21 Analysis of funds

	Unrestricted funds				
	Designated lending fund £	General fund £	Restricted fund £	Endowment fund £	Total £
Balance at 1 April 2019	1,433,649	496,684	1,186,841	10,622,095	13,739,269
Net movement of funds for the year:					
Endowment fund - loan bad debt write-offs and provisions	-	(43,426)	(18,508)	(666,940)	(728,874)
Surplus/(deficit) for the year	-	24,840	2,755,391	-	2,780,231
Losses on investments	-	(13,785)	-	(206,116)	(219,901)
Gain on revaluation of investment property	-	-	-	12,000	12,000
Transfers between funds	(117,347)	101,847	-	15,500	-
Balance at 31 March 2020	1,316,302	566,160	3,923,724	9,776,539	15,582,725

In order to maintain general reserves of not less than one year's expenditure on core costs and initiatives, based on the average annual expenditure from unrestricted funds over the three year period ended 31 March 2020, £117,347 (2019: £383,280) was transferred from the designated lending fund to the general fund. £15,500 (2019: £4,463) was transferred from the general fund to the endowment fund in agreement with Historic England, being the reallocation of certain withdrawn grant offers.

Endowment fund

Source	Geographical area	2020 £	2019 £
<i>Restricted for lending in geographical areas</i>			
Historic England		4,860,982	5,328,378
The Department for Digital, Culture, Media & Sport (DCMS)		435,000	435,000
	England	5,295,982	5,763,378
Historic Environment Scotland	Scotland	3,547,255	3,847,649
Cadw: Welsh Historic Environment service	Wales	417,671	447,000
<i>Not geographically restricted</i>			
UK Government	UK-wide	515,631	564,068
		9,776,539	10,622,095

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

	England £	Scotland £	Wales £	UK-wide £	Total £
Balance at 1 April 2019	5,763,378	3,847,649	447,000	564,068	10,622,095
Loan capital bad debt provisions - specific	-	30,000	-	-	30,000
Loan capital bad debt provisions - general	(378,148)	(252,453)	(29,329)	(37,010)	(696,940)
Losses on investments	(116,748)	(77,941)	-	(11,427)	(206,116)
Gain on revaluation of investment property	12,000	-	-	-	12,000
Transfers	15,500	-	-	-	15,500
Balance at 31 March 2020	5,295,982	3,547,255	417,671	515,631	9,776,539

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

21 Analysis of funds (continued)

Restricted funds

	Balance at 1st April 2019 £	Income £	Expenditure £	Balance at 31st March 2020 £
Grants in support of core initiatives:				
Historic England: Transforming Places Through Heritage	-	3,454,464	(3,454,464)	-
National Lottery Heritage Fund: Heritage Impact Fund	-	2,264,475	(32,983)	2,231,492
Historic England: Capacity Building	-	116,275	(116,275)	-
Historic Environment Scotland	-	439,421	(439,421)	-
Cadw: Welsh Historic Environment Service	-	148,560	(148,560)	-
Dept for Communities Northern Ireland	-	45,167	(45,167)	-
Dept for Communities Northern Ireland: Heritage Impact Fund	-	500,000	-	500,000
Historic England: Heritage Impact Fund	500,000	1,242	(53,198)	448,044
Historic Environment Scotland: Heritage Impact Fund	475,000	-	-	475,000
Cadw: Heritage Impact Fund	100,000	80,000	-	180,000
Garfield Weston	-	50,000	(50,000)	-
The Pilgrim Trust	-	61,652	(61,652)	-
	<u>1,075,000</u>	<u>7,161,256</u>	<u>(4,401,720)</u>	<u>3,834,536</u>
 Grants in support of the Regional Support Officers initiative:				
Historic England: Capacity Building	-	67,000	(67,000)	-
 Grants in support of the Tailored Support Fund				
William Grant Foundation	92,000	107,000	(109,812)	89,188
 Grants in support of the Cywaith Legacy Fund				
Cywaith Gwynedd Buildings Preservation Trust	<u>19,841</u>	<u>-</u>	<u>(19,841)</u>	<u>-</u>
 Restricted funds total	<u>1,186,841</u>	<u>7,335,256</u>	<u>(4,598,373)</u>	<u>3,923,724</u>

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

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

The Heritage Impact Fund restricted fund balances carried forward at 31 March 2020 primarily comprise lending funds. These funds will not be expended through the Statement of Financial Activities other than through movements in the bad debt provision or any future amounts repayable to funders.

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

The Support Officer initiative, which ran in England from 2012 to Mar 2020 and continues across Scotland, Northern Ireland and Wales, aimed to assist local communities seeking to rescue and re-utilise a historic building which they value. The AHF places particular emphasis on targeting help towards supporting community enterprises that wish to set up and/or grow their businesses in historic buildings, particularly those that are at risk and/or transferred from public ownership. The initiative was replaced in England largely by the Programme Officer role within Transforming Places through Heritage from October 2019.

The Cywaith Legacy Fund was launched in Wales in November 2017, established with the sum of £86,436 transferred to the AHF on the winding-up of Cywaith, the Building Preservation Trust for Gwynedd. The Fund was open to applications from charities and social enterprises with eligible projects located in the BPT's former area of operation in north west Wales. By the end of 2019/20, all funds were spent.

A new grant fund was launched in Scotland in 2018/19, the 'Tailored Support Fund', thanks to funding from the William Grant Foundation (WGF), which has committed £200,000 over two years. WGF grants will help to fund work that the AHF is otherwise normally unable to because of eligibility, or grant limits or other reasons.

The Architectural Heritage Fund
Notes to the Financial Statements for the year ended 31 March 2020

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

	2020 £	2019 £
Net income/(expenditure) for the year	1,843,456	(388,978)
Adjustments for:		
Net losses/(gains) on investments	219,901	(88,798)
Net losses/(gains) on investment property	(12,000)	-
Interest and rents from investments	(555,961)	(430,263)
Increase in debtors	(2,313,997)	(97,208)
Increase/(decrease) in creditors	2,396,061	(512,340)
(Decrease)/increase in provisions	(116,351)	179,774
Net cash provided by/(used in) operating activities	<u>1,461,109</u>	<u>(1,337,813)</u>

23 Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	7,390,154	5,353,503
Cash held in investment portfolio	55,296	417,806
Cash deposits held in the investment portfolio with maturity under 3 months	-	300,000
Total cash and cash equivalents	<u>7,445,450</u>	<u>6,071,309</u>

24 Post balance sheet events

The trustees continually review the impact the Coronavirus pandemic is having on the Charity's loan portfolio. The Coronavirus pandemic is having an adverse impact on the financial and trading pressures of the heritage and community sector which Architectural Heritage Fund serves through its loan portfolio. Following the most recent review of the loan portfolio loans totalling £375,000 now appear unlikely to be recoverable as trading conditions have worsened after the year end. These conditions did not exist at the balance sheet date and are therefore considered to be non-adjusting post balance sheet events in these financial statements. See note 6 for further information.

Appendix 1 Full list of grants awarded

ENGLAND

Transforming Places through Heritage

Funded by Department of Digital, Culture, Media and Sport

Project Viability Grants

Organisation	Building	Grant award (£)
Heritage Lab CIC	Granville House (Pugin's Chambers), Victoria Parade, Ramsgate, Kent	15,000
Tooley's Boatyard Trust	Tooley's Boatyard, Spiceball Park Road, Banbury, Oxfordshire	15,000
Great Torrington Town Council	The Globe, 5 Fore Street, Great Torrington, Devon	15,000
Truro Community Land Trust	19-19a Pydar Street, Truro, Cornwall	15,000
Ashburton Arts	15 West Street, Ashburton, Devon	15,000
Heritage of London Trust Ops (HOLTOP)	Former Girls' Charity School & 24 Church Street, Edmonton, London	15,000
FUSE Art Space	Former HR Jackson premises, 46 Darley Street, Bradford, West Yorks.	13,000
East of England Buildings Preservation Trust	The Harlequin, Lincoln	15,000
Hereford Cathedral Perpetual Trust	21 Broad Street, Hereford	14,400
Queensbury Community Programme Ltd	Victoria Hall and Swimming Pool	15,000
Hexham Community-Led Housing	Ashbourne House, Hexham	4,000
Ulverston Community Enterprises	Ulverston Coronation Hall	15,000
Rio Centre (Dlaston) Ltd	Rio Cinema	15,000
Support Staffordshire	Mansell House	4,074
Whitby Town Council	Whitby Old Town Hall	15,000
Gloucestershire Academy of Music	Barbican House	13,500
Gloucester Historic Buildings Ltd	Part of the Bishop Hooper House	12,600
The Truth Co CIC	Scala Theatre, Worcester	8,400
Silk Heritage Trust	The Old Sunday School, Macclesfield, Cheshire	12,000
St Mary's Church PCC Chipping Norton	The Old Bank, 16 Market Street, Chipping Norton	15,000
Weymouth Area Development Trust CIC	Brewers Quay, Weymouth	14,330
Ledbury Places	Barratt Browning Institute, Bye Street, Ledbury, Herefordshire	15,000
The Cornwall Heritage Trust Ltd	Redruth Library, Cornwall	15,000
St Peter the Apostle Roman Catholic Church	Pugin Place, Woolwich, London Borough of Greenwich	15,000
Loaves n Fishes	Provision House, Dudley	15,000
intoBodmin CIC	The Old Library, Bodmin, Cornwall	13,928

Project Development Grants

Organisation	Building	Grant award (£)
Heart of Hastings Community Land Trust	12 Claremont, Hastings, East Sussex	53,000
St Ives Community Land Trust	Old Vicarage Flats, Street-an-Pol, St Ives, Cornwall	73,762
Stanley People's Initiative	Stanley Halls, 12 South Norwood Hill, London	27,272
Historic Coventry Trust	City Gates, Hales Street, Coventry, West Midlands	53,366
Churches Conservation Trust	St Peter & the Old Black Lion, 1-3 Old Black Lion Hill, Northampton	42,100
Friends of Stretford Public Hall	Stretford Public Hall, Chester Road, Stretford, Manchester	68,000
Arts at the Mill CIC	Wigan Pier, Wallgate, Wigan, Greater Manchester	82,500
Age Concern Southend-on-Sea	The Haven, Westcliff-on-Sea, Essex	12,550
Buckinghamshire Historic Buildings Trust	2/3 High Street (The Wheatsheaf), High Wycombe	15,000
Caistor and District Community Trust Ltd	2-4 Market Place, Caistor, Lincolnshire	50,000
SeaChange Arts	The Ice House, Great Yarmouth	55,000
Heritage Lincolnshire	Greyfriars, Lincoln	50,000
Barnsley Civic Enterprise Ltd	The Civic	50,000
Paignton Picture House Trust	Paignton Picture House, Torbay Road	67,260
The Friends of Abingdon Civic Society	Abingdon Abbey Buildings	14,500
Winsford Town Council	Brunner Guildhall, Winsford, Cheshire	47,500
Sheffield Music Academy	Canada House, Sheffield	71,560

Crowdfunding Challenge Grants

Organisation	Building	Grant award (£)
Tyne & Wear Building Preservation Trust	170-5 High Street West, Sunderland	24,980
Glendale Gateway Trust	21 High Street, Wooler	25,000
Heritage Lab CIC	Pugin's Chambers, Ramsgate, Kent	25,000
Gecko Theatre	Gecko Creation Space, Ipswich, Suffolk	25,000

Transformational Capital Grants

Organisation	Building	Grant award (£)
Tyne & Wear Building Preservation Trust	170-5 High Street West, Sunderland	348,350
Historic Coventry Trust	Lychgate Cottages, Coventry	350,000

Great Yarmouth Preservation Trust	160 King Street, Great Yarmouth, Norfolk	350,000
Real Ideas Organisation (RIO) CIC	Liskeard Library, Liskeard, Cornwall	150,000

Heritage Development Trust pilot grants

Organisation	Grant purpose	Grant award (£)
Tyne & Wear Building Preservation Trust	Capacity Building	150,000
Historic Coventry Trust	Capacity Building	150,000
Great Yarmouth Preservation Trust	Capacity Building	147,643
Valley Heritage	Capacity Building	90,000

Growing Community Enterprise through Heritage

Funded by the Department of Digital, Culture, Media and Sport

Project Viability Grants

Organisation	Building	Grant award (£)
PollyPort CIC	Everton Library, Liverpool	14,000
Inclusive Economy Liverpool	The Clocktower	15,000
Wish Tower Friends	King Edwards Parade, Eastbourne	14,410
Save Grange Lido Ltd	Grange Lido, Grange Over Sands, Cumbria	14,560

Project Development Grants

Organisation	Building	Grant award (£)
Always Ahead	Flag Lane Baths Building AKA Crewe Baths	30,000
Nottingham Studios Ltd	Primary, Nottingham	15,000
Barrow Hill Community Trust	Barrow Hill Memorial Hall, Chesterfield, Derbyshire	4,516

National Capacity Building

Funded by Historic England

Project Viability Grants

Organisation	Building	Grant award (£)
Norfolk Historic Buildings Trust	Becket's Chapel, Wymondham, Norfolk	2,500
Norwich Preservation Trust	6-9 Ninham's Court	6,790

Lawrence Cloisters Trust	The Cloisters	11,125
Wellington Mills CIC	Tone Works	12,000

Project Development Grants

Organisation	Building	Grant award (£)
Saltdean Lido Trust	Saltdean Lido	6,000
Arkwright Society	Mill Lane, Cromford, Derbyshire	15,000
London Diocesan Fund - Closed Churches	Cloudesley Square, Islington, London	6,000
Wentworth Woodhouse Preservation Trust	Wentworth Woodhouse	10,585

SCOTLAND

Funded by Historic Environment Scotland

Project Viability Grants

Organisation	Building	Grant award (£)
The Landmark Trust	Mavisbank House, Loanhead, Midlothian	7,000
Northern Meeting Park Group	Northern Meeting Park, Inverness	4,000
FVSE CIC	Borrowmeadow Farm, Springkerse, Stirling	7,500
Radio City Association	Knox Institute, Kilbirnie, Ayrshire	3,000
Norton Park SCIO	Norton Park Conference Centre, Edinburgh	4,000
Dunadd Community Enterprise	Kilmartin Church, Lochgilphead, Argyll & Bute	4,000
Panopticon Building Preservation Trust	Britannia Panopticon Music Hall, Glasgow	5,734
Civic Room	Former British Linen Co. Bank, High Street, Glasgow	4,000
Lodestone Creative	St Andrew's Church, Alexandria, West Dunbartonshire	4,000
Glasgow Artists' Moving Image Studios	Govanhill Picture House, Glasgow	5,000
Earlsferry Town Hall Steering Group	Earlsferry Town Hall, Earlsferry, Fife	2,000
Kinloch Castle Friends Association	Kinloch Castle, Isle of Rum, Highland	2,204
Milnbank Housing Association	Bellgrove Meat Market Sheds, Glasgow	7,000
John Muir Trust	Straithaird Kirk (Old Kirk), Straithaird, Skye	2,500
Dunfermline Regeneration Trust	Cinema House, Dunfermline, Fife	6,000
Elgin Museum/The Moray Society	Elgin Museum (No. 3 Building), Moray	4,000
Historic Churches Scotland	Royal Hospital for Sick Children Mortuary Chapel,	4,000
Climavore CIC	Ice House, Portree	5,000
Edinburgh UNESCO City of Literature Trust	John Knox House	5,000
Deveron Projects	Square Deal	4,000

Stoneyholm Mill Trust	Stoneyholm Mill, Kilbirnie, North Ayrshire	7,500
Mindful Steps CIC	Southerton Lodge	3,000
Auld Kirk Charitable Trust	Auld Kirk	4,601
Thurso Community Development Trust	The Drill Hall	6,000

Project Development Grants

Organisation	Building	Grant award (£)
The Landmark Trust	Mavisbank House, Loanhead, Midlothian	13,000
Stonehaven Tolbooth Association	The Tolbooth, Stonehaven, Aberdeenshire	15,000
Perth & District YMCA	St Andrew's & St Stephen's Church, Perth	10,000
Huntly & District Development Trust	30 The Square, Huntly, Aberdeenshire	16,029
Isle of Kerrera Development Trust	Kerrera Old School	4,500
Kilmaronock Old Kirk Trust	Kilmaronock Church	10,000
Centrestage Communities	Former Kilmaronock Academy, Kilmaronock, East Ayrshire	21,694
Tower Digital Arts Centre	Tower Digital Arts Centre, Helensburgh, Dunbartonshire	14,800
North East Scotland Preservation Trust	Former John Trail Bookshop, Fraserburgh, Aberdeenshire	10,000
North East Scotland Preservation Trust	Former John Trail Bookshop, Fraserburgh, Aberdeenshire	10,000
Old School Thornhill	Old School, Thornhill, Dumfries & Galloway	20,000
Jedburgh Community Trust	Port House, Jedburgh, Scottish Borders	15,000
WASPS Trust	Inverness Creative Academy, Midmills Building	10,000
Friends of Millport Town Hall	Millport Town Hall	20,000
The Abbotsford Trust	Abbotsford	15,000
The John Rae Society	The Hall of Clestrain	10,000
Willow Team Rooms Trust	Willow Tea Rooms, Glasgow	10,000
Ferryhill Railway Heritage Trust	Ferryhill Motive Power Depot	10,000
Leith Theatre Trust	Leith Theatre	15,000
Birsay Heritage Trust	HMS Tern Control Tower and Operations Block	13,500

Funded by William Grant Foundation

Project Viability Grants

Organisation	Building	Grant award (£)
The Garve & District Development Co.	The Garve Village Hall, Ross-shire, Highland	5,000
Torry Development Trust	Victoria Road School, Torry, Aberdeen	5,000
Sir John Maxwell School Trust	Sir John Maxwell School, Glasgow	4,500
Kilmarnock Station Railway Heritage Trust	Old Man's Cabin, Kilmarnock	6,000
The Ridge Foundations CIC	Black Bull Close	5,000

Project Development Grants

Organisation	Building	Grant award (£)
Shambellie House Trust	Shambellie House, Dumfries & Galloway	10,000
The Orkney Sheep Foundation	The Sheep Dyke, North Ronaldsay, Orkney	3,000
Scottish Civic Trust	Various buildings across Scotland	11,000
Action Porty	Portobello Old Parish Church & Halls, Edinburgh	9,000
The Big Cran'Co CIC	Stobcross Crane, Glasgow	10,000
Ayr Gaiety Partnership	Gaiety Theatre, Ayr, South Ayrshire	10,000
Scottish Jewish Archives Centre	Garnethill Synagogue	10,000
Loch Lomond Steamship Company	The Steam Slipway	10,000
Historic Churches of Scotland	St Margaret's, Braemar	5,000

WALES

Funded by The Pilgrim Trust, the Garfield Weston Foundation, and Cadw

Project Development Grants

Organisation	Building	Grant award (£)
Machynlleth Town Council	Old Stables, Machynlleth, Powys	6,000
Caerphilly Workmen's Hall	Caerphilly Workmen's Hall, Caerphilly	5,000
The Commodore Trust	Commodore Hotel, Pembroke Dock, Pembrokeshire	5,000
Letitia Cornwallis Trust	The Cornwallis Flats, Llanwrda, Carmarthenshire	5,000
The Village Alive Trust	St Teilo's Church	4,900

Project Development Grants

Organisation	Building	Grant award (£)
Haverhub CIC	Old Post Office, Haverfordwest, Pembrokeshire	7,500
St John's House Trust (Bridgend)	St John's House, Bridgend	700
Circus Eruption	St Luke's Church, Cwmbwrla, Swansea	10,000
GISDA Cyf	Former NatWest Bank, 21 Castle Square, Caernarfon	5,800
Canolfan Glanhwfa Cyf	Capel Moreia	1,078

Funded by the Cywaith Legacy Fund

Project Viability Grant

Organisation	Building	Grant award (£)
Melin Daron Cyf	Melin Daron, Aberdaron, Gwynedd	5,000

Project Development Grants

Organisation	Building	Grant award (£)
Gwrych Castle Preservation Trust	Gwrych Castle, Abergele, Conwy	10,000
GISDA Cyf	Former NatWest Bank, 21 Castle Square, Caernarfon, Gwynedd	5,687
Canolfan Glanhwfa Cyf	Capel Moreia	4,840

Funded by Cadw

Capital Works Grants

Organisation	Building	Grant award (£)
Circus Eruption	Former St Luke's Church, Cwmbwrla, Swansea	40,000
Haverbub CIC	The Old Post Office, Haverfordwest	40,000
Antur Waunfawr	Porth yr Aur	40,000

NORTHERN IRELAND

Funded by The Pilgrim Trust, the Garfield Weston Foundation, and the Department for Communities

Project Viability Grants

Organisation	Building	Grant award (£)
R-Space Gallery	Linen Rooms, 34-36 Castle St., Lisburn, Co. Antrim	3,400
The Turnaround Project	Shannon House, Hydebank Wood College, Belfast	5,000
Kilcooley Womens Centre	The Old Market House	5,000
Sailortown Regeneration	St Joseph's Parochial House	5,000
The Boomhall Trust	Boomhall, Culmore Road	7,500
Rathlin Development and Community Association	East Lighthouse Keeper's Houses	2,306

Project Development Grants

Organisation	Building	Grant award (£)
Hearth Historic Buildings Trust	Riddel's Warehouse	3,050
Ederney Community Development Trust	Pat Murphy's	5,000