

---

## Trustees' Annual Report and Accounts

Year ended 31<sup>st</sup> March 2024

The Architectural Heritage Fund

Company Number: 1150304

Charity Number: 266780

Scottish Charity Number: SC043840

**TRUSTEES' ANNUAL REPORT AND ACCOUNTS**

**YEAR ENDED 31 MARCH 2024**

**THE ARCHITECTURAL HERITAGE FUND**

**Charity No. 266780**

**Company No. 1150304**

**Scottish Charity No. SCO43840**

## Trustees' Annual Report and Accounts for the year ended 31st March 2024

	Page
1. Who we are and what we do	2
2. Chair's introduction	3
3. Chief Executive's highlights from the year	4
4. Our impact: Progress against our strategy	6
a) Objective One: Fund	
b) Objective Two: Support	
c) Objective Three: Inspire	
5. Our portfolio – case studies from across the UK	16
6. Financial review for the year ended 31 March 2024	27
a) Financial overview	
b) Remuneration	
c) Reserves	
d) Investment policy	
e) Going concern	
7. Plans for the future	32
8. Governance statement	33
a) The AHF's charitable objectives and public benefit	
b) Our values	
c) Principal risks and uncertainties	
d) Equality, diversity and inclusion	
e) Structure, governance and management	
f) Board of Trustees	
9. Benefactors, Partners and Friends	46
10. Statement of Trustees' Responsibilities	48
11. Independent Auditor's Report	49
12. Financial statements	53

**1. Who we are and what we do**

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

**Purpose**

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

For nearly 50 years, we've been the leading social investor in creating new futures for historic buildings.

## 2 Chair's introduction

My second year as Chair has been as enjoyable as the first and has enabled me to deepen my knowledge of the work of the AHF across the UK. As I have done so, I have become ever more convinced of the importance and relevance of the work that the AHF does, and impressed by the knowledge, enthusiasm and professionalism that the team brings to it under Matthew's leadership.

In January, I visited Cardiff and Merthyr Tydfil to see some of our work in Wales, meeting a range of sector colleagues to discuss some of the pressing issues facing the sector. High on the list of priorities was the challenge faced by so many Places of Worship. Wales has such a richly diverse history of building places of worship, and my visit included a tour of the former Methyr Tydfil synagogue to see how plans for the regeneration of this unique survivor were progressing. The sheer number of redundant chapels and churches is a huge issue, not only for Wales but the wider UK, and the role that adaptive reuse can play in supporting a range of new lives for some of these buildings is a question we continue to look at, on both a project-by-project basis and at a wider strategic level. This is a priority we will continue to focus on in the forthcoming year.

It has been a year of some change in the Board. We said a fond farewell to Myra Barnes, our long-standing Trustee and Vice-Chair. We will miss her calm and considered advice, which has been invaluable to the work of the AHF for over ten years. I am delighted that Audrey Carlin, one of our Scotland Trustees, has agreed to become the new Vice-Chair. We also saw the retirement of our Trustee for Wales, Menna Jones, and we wish her well for the future. We welcomed three new Trustees to the Board, Syreeta Bayne, Andy Westwood and Peter Williams. Each has a wealth of experience in their fields and am sure will be incredible assets to the AHF. Peter will be taking over as Chair of the Audit and Risk Committee when Roy Hodson stands down as a Trustee at the end of his term in early 2025.

My thanks go to the whole Board for the work they have contributed during the year. We held a Grants Panel and Board meeting in Penzance, and this was an opportunity to visit a number of projects in the town such as Jubilee Pool, and to meet key partners, including the CEO of Cornwall County Council. Seeing projects and talking to the people behind them provides invaluable insight for the Board's work.

We are starting to think about our plans for the 50<sup>th</sup> Anniversary of the AHF in 2026. This has prompted us to look back on some of the projects we have supported over those years, and we recently held a key stakeholder event and heard from historian Dan Cruickshank, the indefatigable Chair of the Spitalfields Historic Buildings Trust, a long-term collaborator with the AHF. The AHF was one of the early investors in the regeneration of historic Spitalfields, back in the 1970s and 80s when it was suffering from significant dereliction, neglect and the effects of de-population. Dan's impassioned advocacy for the role of communities in the regeneration of places was hugely powerful and a reminder that long term stewardship of areas takes public and private sectors *and* communities to work together for long term benefit. We continue to develop our plans for the 50<sup>th</sup> celebration, and we are keen to hear from new and old supporters who might wish to collaborate with us on this significant milestone.

I would like to thank all our funders for their new and ongoing investments over the course of the year, including the Department for Communities Northern Ireland, Historic England, Historic Environment Scotland, Cadw and the National Lottery Heritage Fund. We're also immensely grateful for the ongoing support from foundation and trust supporters, including the Garfield Weston Foundation, The Pilgrim Trust and the William Grant Foundation.

**Ros Kerslake (CBE)**

**Chair**

### 3 Chief Executive's highlights from the year

This was the first full year of delivery of our new Strategy, and the past twelve months have certainly seen a number of shifts in the political and economic contexts we work within. Despite these changes, I think the underlying objectives within our Strategy remain very relevant to the new political and economic environment we are emerging into.

We've remained focused on delivering investment throughout the UK and have started a number of new areas of work, including an increase in the number of partnership funds the AHF is helping deliver. This has included being partners in the Social Investment Business led Thrive Fund and as part of the Delivery Partnership for the Community Ownership Fund, which is managed by the Ministry of Housing, Communities and Local Government. Developing funds alongside partners has enabled us to open up more funding to some of our existing clients and introduced them to a wider pool of investors beyond purely heritage focused ones. We are continuing to look at developing new AHF-led funds, particularly in relation to housing and blended funds, ones that can offer new funding to the market and which address the needs of communities across the UK.

As well as new partnership funds, we continued to deliver our existing programmes, including Village Catalyst in Northern Ireland. During the year a number of the pilot schemes completed their capital projects, and I was warmly welcomed to the launch of 'Murphy's on Main Street' the new co-working and community hub in Ederney, County Fermanagh. This is a fabulous example of the programme's impact on reducing rural isolation and deprivation, as well as bringing a long derelict historic building back into use. The fantastic coverage it received on the BBC also demonstrates the wider public interest there is in projects like this.

Resilience has been a big theme during the year and, unfortunately, the economic and social impacts of COVID have not gone away, even though the virus has receded from the headlines (albeit very much still in circulation). Inflation, although heading back towards more normal levels during the year, has still caused a huge spike in build costs which is affecting the ability of communities to bring forward projects with reasonable budgets and is affecting operational projects where people have less money to spend. This is causing stress on projects in development and operation and some, unfortunately, have not been able to proceed. These waves of impact will continue to affect the sector for some time to come.

This year, our Heritage Development Trust programme got under way. Heritage Development Trusts (HDTs) are in essence social enterprise developers and managers that focus on developing a portfolio of heritage assets. We are now supporting 19 across the UK, expanding from the initial seven that formed the pilot funded through the Transforming Places through Heritage Programme (2019-23). Organisations such as Re-Form Heritage in Stoke-on-Trent and Glasgow Building Preservation Trust are newcomers to the HDT cohort, but it was clear the investment in them was already acting as a catalyst for expanding their impact. In Re-Form Heritage's case, the HDT programme is helping the team to develop plans for a number of asset transfers in the city; and in Glasgow the new investment is helping strategically plan their next phase of projects.

With a new UK government being elected in recent months, it is a time of change. It also remains imperative that we work with the devolved governments in Wales, Scotland and Northern Ireland, and, as is increasingly the case, with the combined authority administrations in England. Given the AHF's size, engaging directly with many different authorities can be a challenge, but we know that devolution is the direction in which funding and decision making are going, so it is essential we are able to work within this new environment.

My thanks as always to the hugely experienced team we have here at the AHF and to the guidance of our Board, under Ros Kerslake's supportive leadership.

**Matthew Mckeague**  
**Chief Executive**

## **4 Our objectives**

### **Our impact: Progress against our strategy**

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

#### **Aim One: Fund**

Delivering targeted investment that leads to the sustainable reuse and management of historic buildings.

#### **Aim Two: Support**

Supporting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings

#### **Aim Three: Inspire**

Championing the impact of heritage and community-led regeneration

## Objective 1: Fund

Delivering targeted investment that leads to the sustainable reuse and management of historic buildings.

**Fig 1. Achievement against Objective 1 KPIs**

KPI/measures	Result
Grant programme spend targets met	Achieved
Commit endowment and HIF lending funds	Partial achievement: £1.8m (endowment) and £1.9m (HIF) were left available to lend by year end, partly as a result of significant re-payments. A number of new loan offers were made in-year, and the team were also participating in the Thrive and Energy Resilience Fund programmes, which included the development of a number of applications. Further work on bringing forward loan applications in 24/25 is a significant priority.
Fundraising goals achieved	Partial achievement: UK grant programmes achieved fundraising goals, with increased funding realised in England, Wales, and Northern Ireland. New West Midlands regional grant programme launched. New lending fund bids being developed for a housing fund and some small additional contributions to the HIF.

We made 169 grants totalling £4,515,336 across ten grants programmes. Most of these were Project Viability and Project Development Grants, but 12 three-year revenue grants were also awarded to new Heritage Development Trusts throughout the UK.

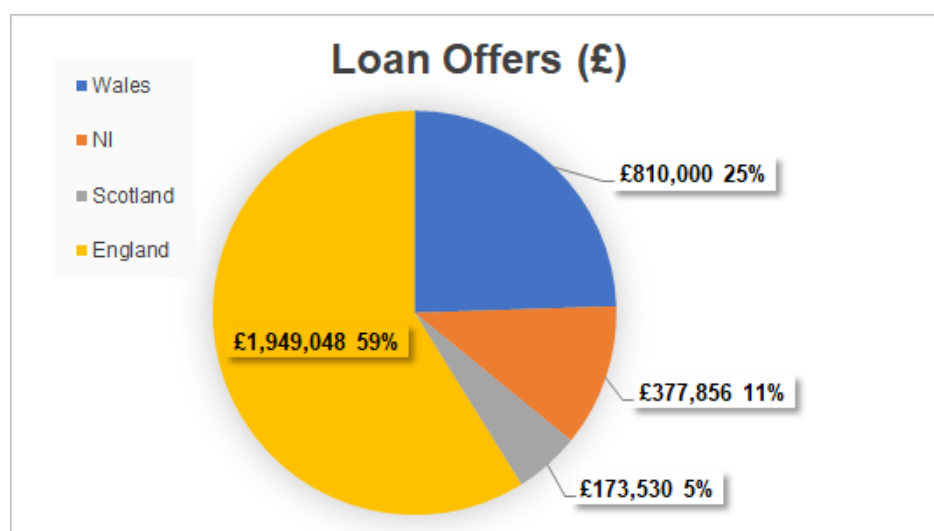
During the past year, the AHF made 16 loan offers, including extensions, totalling £3,310,434. This included five new Heritage Impact Fund loan offers totaling £865,000 and two new Endowment fund loan offers totaling £100,000.

**Fig 2. Loan offers (including extensions) 23/24**

Client	Buildings	Loan Offer (£)
<b>England</b>		
North Yorkshire Hospice Care (withdrawn)	The Lambert	£ 300,000
Real Ideas Organisation CIC	Liskeard Library	£ 225,000
Great Yarmouth Preservation Trust	Organisational Loan	£ 100,000
Gorleston Pavilion Trust Ltd	Pavilion Theatre	£ 140,000
Clophill Heritage Trust	St Mary's & Eco Lodges	£ 40,000
White Rock Neighbourhood Ventures (extension)	Observer Building	£ 462,909
Heritage Lincolnshire (extension)	Old Kings Head	£ 200,000
Farnham BPT (extension)	Yew Tree Cottage	£ 32,166
Romsey BPT (extension)	Bargain Farmhouse	£ 375,750

Cambridge Museum of Technology (extension)	Old Pumping Station	£ 73,223
<b>Sub-total</b>		<b>£ 1,949,048</b>
<b>Northern Ireland</b>		
Conway Mill (extension)	Conway Mill	£ 377,856
<b>Sub-total</b>		<b>£ 377,856</b>
<b>Scotland</b>		
Carluke Development Trust	Carluke High Mill	£ 100,000
Willow Tea Rooms Trust (extension)	Willow Team Rooms	£ 73,530
<b>Sub-total</b>		<b>£ 173,530</b>
<b>Wales</b>		
Spitalfields HBT	Caerwent House	£ 60,000
Spitalfields HBT (extension)	Caerwent House	£ 550,000
Cardigan BPT (extension)	Market Hall	£ 200,000
<b>Sub-total</b>		<b>£ 810,000</b>
	<b>TOTAL OFFERS</b>	<b>£ 3,310,434</b>
<b>Thrive Together Fund Awards</b>		
Leigh Building Preservation Trust	Leigh Spinners Mills	£ 150,000
	<b>TOTAL OFFERS</b>	<b>£ 150,000</b>

**Fig 3. Loan offers (including extensions) by country**



Our new funding agreement with Historic England began at the start of April 2023 and has enabled us to continue to fund projects looking at a range of uses, including affordable housing, which we increasingly see coming forward across the country. One early-stage award for housing projects has supported Looes Coastguard Cottages in Cornwall, where Three Seas Community Land Trust is partnering with Cornwall Council to explore taking ownership of the Coastguard Flats, conserving them and bringing the cottages up to modern standards. Three Seas is a Community Land Trust, a type of

organisation that seeks to secure land and assets in community ownership in perpetuity and gives ordinary people the means to steward these resources for local well-being.

Thanks to additional in-year funding of £500,000 from Historic England, we were also able to extend the town centre and high street focused Transforming Places through Heritage programme for one further round of Project Development Grants. Awards from this round included one to Tyne and Wear Building Preservation Trust for Keelmen's Hospital in Newcastle, a Grade II\* building that has been on the 'Buildings at Risk' register and vacant for 15 years. This magnificent building was constructed in 1701 at a cost of £2,000, and for 180 years it operated as an almshouse for retired and sick keelmen and their families. The ambition is to bring it back into community use, building on its proud heritage and creating affordable new homes in central Newcastle. Other awards made thanks to this additional funding from Historic England included further funding for The Arcade in Dewsbury, a scheme that will see the town's Grade II Victorian shopping arcade redeveloped into the first community-owned shopping centre in the country with retail and creative workspace.

In the West Midlands, we piloted a new early-stage grants fund thanks to the support of the West Midlands Combined Authority. This programme awarded four grants, including to The Golden Lion in Cannon Hill Park and The Old Print Works in Balsall Heath; the funding will enable these projects to work up further details and plans. We also began working with the Combined Authority on a funding package that will provide more loan financing for social enterprise and heritage projects across the region, which we hope to see launch in the coming year.

As well as our own funds, we were able to bring forward applications to the Social Investment Business-led 'Thrive Together Fund'. The £6m fund, which launched in July 2023, is managed by Social Investment Business and delivered in partnership with Co-operative and Community Finance, Fredericks Foundation, Groundwork, Homeless Link and the AHF. It combines grant funding with repayable finance, providing a funding package of loan (75%) and grant (25%) to eligible small- and medium-sized charities and social enterprises that are improving people's lives, or the environment in which they live, in England. The first award overseen by the AHF was made to Leigh Building Preservation Trust, this was for £150,000 and will help the organisation grow operations at the Grade II\* Leigh Spinners Mill.

Thanks to generous new support from the Garfield Weston Foundation, we were able to continue our advice and early-stage grants to heritage and community-led regeneration projects in Northern Ireland. This new funding, which began in 2023 and will run to 2026, supports the Harnessing Heritage programme, our open fund in Northern Ireland. In addition to Harnessing Heritage, we have also seen the continuation of the Village Catalyst programme, which now has fifteen projects in its pipeline. This programme saw the completion of a further pilot programme capital scheme, Murphy's on Main Street, a long-vacant category B1 building, that is now a well-being hub and workspace for the village.

In Scotland, we continued to award a range of early-stage grants thanks to generous funding from Historic Environment Scotland and our ongoing partnership with the William Grant Foundation. These awards included £20,000 for North East Scotland Preservation Trust for two buildings in Portsoy that have been bequeathed to that Trust and for which it is developing proposals. The initial schemes involve developing the buildings as Portsoy Creative Hub – to comprise artist's studios, a gallery, and space for arts and crafts workshops.

The past year also saw the completion of several projects that have received long-standing support from the AHF, including Above Adventure in Kilmarnock. In 2015, early-stage funding assisted with the cost of a feasibility study, with two further project development grants awarded in 2016 and 2018 to assist with the cost of design team fees. The project also benefited from two separate social investment loan offers totalling over £200,000, which helped enable both an initial meanwhile use phase in the church hall and to the ultimate delivery of the full large-scale capital project. The AHF was also able to introduce the project to other private funders, who helped with further funding.

Town centre projects were also a feature of our awards in Wales, where thanks to generous funding from Cadw we continued to see a significant uplift in our investments. These included a Project Development Grant to Elysium Arts to advance plans to bring the former JT Morgan department store (Wales's oldest department store) back into use to support charities and creative industries in Swansea. Another long-standing feature of our work in Wales has been our funding of community-run historic pubs. This year was no different with a £13,200 grant awarded to Tafarn Yr Eagles, to help transition the pub into community ownership.

At the UK-wide level, we awarded funding to 12 UK organisations through our new £5 million Heritage Development Trust programme. From places as geographically spread as Caernarfon, Chatham, Derry/Londonderry, this scheme will create new organisations and extend the scope of existing organisations to breathe new life into their disused and at-risk historic buildings. The funding is part of a new partnership between us and the National Lottery Heritage Fund, to expand our Heritage Development Trust model across the UK following the success of the pilot programme in England.

## Objective 2: Support

### Supporting charities and social enterprises to take ownership of, develop and sustain new uses for historic buildings

**Fig 4. Achievement against Objective 2 KPIs**

KPI	Result
Rating of the impact of AHF's funding and support on an organisation's confidence to lead project on a scale of 1 to 5 (targeting average of 4 rating).	Achieved: average rating of 4.3.
Provide guidance and support to at least 10 organisations through RePlan	Achieved: 9 were supported and further 4 were in the process of undertaking a diagnostic.
Delivery of Community Ownership Fund support contract	Achieved

The wider environment for organisations developing capital projects and managing historic buildings remained a challenging one. The economic shocks of high inflation and lower consumer spending continued to impact on operational projects and the higher construction costs being faced by capital projects continued to pose numerous challenges to projects in development or on site. These ongoing challenges mean that our support for projects at all stages in their development and operation remains one of the most valuable aspects of our work.

During the year, we finalised and published the final [Impact Report covering our 2020-23 Strategy period](#). This analysed our support of organisations taking ownership of, developing and managing new uses for historic buildings. The report found encouraging evidence of our impact on advising projects, including:

- 513 individual projects supported between 2020-23;
- 59 organisations directly attributing AHF support to enabling the ownership of a project building;
- £15.5 million in match funding levered into project development through grants;
- AHF support was rated 92/100 on average by 241 projects anonymously surveyed by the evaluation consultants.

Our longitudinal survey, which measures the progress of projects supported five and ten years previously, also demonstrated that the importance of our support to projects has grown over time: projects we funded five years previously (2018/19) reported twice as often (30%) that AHF funding was directly responsible for helping them take ownership of their historic building, compared with projects supported ten years previously (14%). This is likely, at least partly, to be a result of our expanded support role to projects over that period.

Following on from the publication of the evaluation of our last Strategy, and alongside the launch of our new Strategy 2023-28, we have undertaken significant work to develop a revised Evaluation Framework to evidence our progress against our strategic aims. This framework provides critical context to understand the value of the non-financial support we provide as part of this development, we worked with grant managers and investment managers to codify the non-financial support they provide to projects, clarifying what support is provided at each stage and its intended outcomes. This new step will

also help us to further build capacity among groups that are undertaking complex heritage-regeneration projects for the first time.

We continued to provide advice and support through the RePlan business support service. By year end, this service has supported 13 organisations with a range of development needs. Each organisation is first offered a diagnostic to understand the work they need to carry out, and further focused support is then provided by the AHF's network of expert consultants.

As well as the funding to the individual Heritage Development Trusts, we enabled the cohort of existing and new HDTs to act as a peer learning group to each other and have provided training opportunities based on their needs. The full network met for the first time in February 2024 at Stretford Public Hall in Greater Manchester, and an ongoing series of UK-wide events and capacity building workshops are supporting them to develop as organisations and deliver increased impact in their areas of operation. Although we only had funding to award 12 new HDTs, we had 122 Expressions of Interest for the programme, demonstrating the high level of demand for a programme of this type.

In our role as one of the delivery partners for the UK-wide Community Ownership Fund, we have supported projects seeking to take ownership of and develop sustainable uses for a range of historic buildings. In the last year, we supported 40 projects with diagnostics that considered which elements of their project required additional support, and 38 of these received packages of in-depth support to develop their applications to the Community Ownership Fund. We also led three webinars for all COF applicants working with historic buildings, to explain some of the special challenges and opportunities of this type of project. In total, 48 projects supported by the AHF either through early-stage grants, loans, or through the COF delivery partnership, have now been awarded funding through this programme.

### Objective 3: Inspire

#### Championing the impact of heritage and community-led regeneration

**Fig 5. Achievement against Objective 3 KPIs**

KPI	Result
New Strategy 2023/28 published and launched	Achieved: launched in May 2023
New evaluation strategy developed and launched	Achieved
Transforming Places through Heritage final evaluation published	Achieved
EDI Action Plan Updated	Partial achievement: a number of updates made, with further updates ongoing.

Our new [2023-28 Strategy](#) was launched in May 2023. The Strategy sets out our mission, renewed values and priorities for the next five years. The Board also began to shape the plans for our upcoming 50<sup>th</sup> Anniversary in 2026 and agreed an outline development plan for the celebration and programme of activity that will accompany it. One of the key outputs from the 50<sup>th</sup> Anniversary campaign will be raising the profile of communities across the UK that are regenerating and sustaining historic buildings of all kinds and will feature the depth and breadth of the projects and places we have supported over the past five decades.

As well as completing the external evaluation of our Strategy, later in the year we also published our [impact report for the 2020-23 strategy](#). This evidenced the impact of the AHF across the four strategic aims of the previous Strategy and summarised data on the impact of the social enterprises and charities we have been supporting. Another key piece of data emerging from the longitudinal survey was around the sustainability of projects. This found that ten years after their grant, 69% of projects reported they were sustainable, and that at this point the majority are operating (although some were still in development due to the long timeframes involved in some heritage-led regeneration projects). The evidence further indicated that most projects tend to achieve and maintain sustainability over an extended timeframe, and also suggest that strong early-stage support provides the right conditions for organisations to achieve this long-term sustainability and resilience.

Additional country-level programme evaluations were also published, including a combined country report on the [‘Heritage Transformed’ programme in Wales and Northern Ireland](#). This programme, which had been funded by Cadw, the Department for Communities, The Pilgrim Trust and Garfield Weston Foundation, found evidence of significant impact by charities and social enterprises in both countries. The report highlighted the delivery of Village Catalyst projects in Northern Ireland, including Caledon Woolstore, which now operates as a childcare facility providing 36 childcare places, 16 after-school places and employing 15 people – and helping keep the village alive through this essential service provision for young families. The project is also acting as a catalyst for further investment in the village, including additional heritage-regeneration projects now underway. The Wales section of the report

documented the significant increase in funding we had delivered compared with the previous three-year period, and how this was helping more organisations to deliver heritage and community-led regeneration – including many projects around community-owned historic pubs and chapels, both pressing priorities for the country in terms of finding new uses. In both countries, significant new funding had been allocated to AHF programmes, partly as a result of our demonstration of the impact of heritage and community-led regeneration in cities, towns and villages throughout Wales and Northern Ireland.

Following the final year of the Transforming Places programme report and the publication of the externally produced evaluation report, we produced our own [summary evaluation report](#). This provided qualitative and case study evidence to sit alongside the more data driven report (which had found that the programme would return £3.38 in value for every £1 invested) and detailed how case study projects have delivered against the five critical success factors of the programme. These case studies included Real Ideas CIC's conservation and adaptation of Liskeard Library, which demonstrates the range of regeneration benefits being brought to the local area, which is in the top 10% most deprived wards in the country.

In Scotland, we began the process of drawing together evidence of the impact of our work in preparation for our funding bid to Historic Environment Scotland in late 2024. This [recently published evaluation](#) undertook a series of interviews with key sector stakeholders and a representative sampling of project teams supported by AHF grants and loans to examine the impact of our advice and funding on project progression. Focusing on the five-year period from 2019-2024, the report finds that we play a critical role in the development and delivery of projects of heritage-regeneration projects, as well as within the broader funding and support ecosystem.

To help promote the Heritage Development Trusts programme and the broader communications work of the AHF, we appointed new consultants to support this work. This year has seen a number of pieces in national newspapers and media, including *The Herald* in Scotland and BBC Northern Ireland showcasing the Village Catalyst scheme, Heritage Development Trusts, and a number of projects we have funded that are celebrating significant milestones.

**Fig 6. Heritage Impact Fund Project level KPIs**

HIF KPIs	Achievements as at March 2024 (against current agreed portfolio target)
Through the HIF and / or RePlan: <b>40-50</b> organisations would acquire long-term rights in historic buildings over a five-year period.	<b>21</b> (18)
Through the HIF and / or RePlan: <b>40-50</b> historic buildings repaired and re-used over a five-year period.	<b>20</b> (37)
Through the HIF and / or RePlan: up to <b>50</b> new FTE jobs created.	<b>166.73</b> (98)
Through the HIF and / or RePlan: <b>250</b> new training opportunities will be created	<b>1267</b> (372)
Through the HIF and / or RePlan: <b>500</b> new volunteering opportunities will be created	<b>997</b> (1137)

Through the HIF and / or RePlan: up to <b>40</b> commercially run and <b>25</b> not-for-profit businesses run from re-used historic buildings will engage a wider audience	<b>12 (10)</b> <i>commercially run organisations and 5 (24) non-profit organisations</i>
Through the HIF / or RePlan: <b>40 - 50</b> organisations will have greater confidence in their organisation	<b>19 (23)</b>

## 5 Our portfolio – case studies from across the UK

### Keelmen's Hospital

Newcastle, Tyne and Wear, England

Tyne & Wear Building Preservation Trust

*Newcastle city landmark to be given new lease of life as potential for affordable housing*

*Grade II\**

The Grade II\*-listed Keelmen's Hospital was constructed in 1701 as an almshouse for retired or sick keelmen and their families - the keelmen were a group of men who worked on the keels, flat-bottomed boats that carried coal from the banks of the shallow Tyne out to ships that were too large to sail up the river. The hospital, which cost £2,000 to build, was paid for by the city's 1,600 keelmen themselves, who set up a charitable trust and initially agreed to contribute one penny a tide from the wages of each keel crewmember. The eventual decline in guilds meant the decline of the original use of Keelmen's Hospital, and it later served as council housing and student accommodation. The building has been vacant since 2009 and is on Historic England's Heritage at Risk Register.

Tyne & Wear Building Preservation Trust was commissioned by Newcastle City Council to review Heritage at Risk in the city. Through this review, the restoration and reuse of Keelmen's Hospital was identified as a prime candidate for a partnership project. The current proposal is to convert the building into 20 one- or two-person flats, with the potential for specialist uses, including co-housing, specialist care support and sheltered housing. This will bring the building back into community use and create affordable new homes in central Newcastle.

Along with Historic England, Newcastle City Council and The National Lottery Heritage Fund, the AHF has provided support to this project. In 2024, the AHF awarded a Project Development Grant to Tyne & Wear Building Preservation Trust, which covered the cost of design team fees to support the Trust in preparing to apply for further funding, building control and planning permission.

[twbpt.org.uk](http://twbpt.org.uk)

#### AHF Funding

Project Development Grant - £36,539 (2024)

### Cardigan Market Hall

Cardigan, Ceredigion, Wales

Cardigan Building Preservation Trust

*Ensuring a long-term future for the long-serving Victorian Market Hall*

*Grade II\**

The Grade II\*-listed Cardigan Market Hall is a much-loved building and community facility that has been in continuous use as a market since opening in 1860. It is believed to be the first municipal building in Britain to follow Ruskin's principles, as set out in his book 'The Stones of Venice' (1854). It has unusual architectural features; the lower floor displays a medieval character of rounded piers and arched vaults,

while the upper market has a Middle Eastern influence, as seen in the banded archways around the lightwell and the building exterior. The lower area of the building was originally used for live animal sales, while the upper floor provided individual market bays for traders.

Cardigan Building Preservation Trust has taken on a long lease of the building and developed a scheme which will complement the neighbouring Guildhall restoration – completed by the Trust in 2009 – while also ensuring the long-term use of the Market Hall as a community facility. As well as an extensive programme of fabric repair and the upgrading of services throughout the building, new works also include improved access through a new entrance tower incorporating a lift, and the provision of public toilets on each level. The Market Hall will provide enhanced facilities for market traders and a new food court area on the upper floor, alongside a programme of public events. The Trust are also keen to encourage new craftspeople and independent businesses into incubator and ‘pop-up’ units, thereby ensuring the sustainability of the Market Hall long into the future.

The AHF has supported the Trust with initial feasibility funding and two Project Development Grants towards the development of the Market Hall project plans, including planning permission and listed building consent processes. This was followed by a Heritage Impact Fund working capital loan of £200,000 to support the cashflow of the £1.6m restoration and modernisation project. As well as AHF grant and loan support, the Trust has raised funds from The National Lottery Heritage Fund, the Welsh Government, the ERDF Building for the Future, and the Rural Development Programme. The Trust repaid the AHF loan funds in full in late 2023 and final works took place throughout the spring of 2024, with the Market Hall reopening to the public in late June.

[cardigan-guildhall-market.co.uk](http://cardigan-guildhall-market.co.uk)

### **AHF Funding**

Cold Spot Grant - £3,000 (2014)

Project Development Grant - £5,000 (2016)

Project Development Grant - £4,960 (2017)

Heritage Impact Fund Loan - £200,000 (2019)

## **Broadway Cinema**

Prestwick, South Ayrshire, Scotland

Friends of the Broadway Prestwick

*Restoration of Art Deco cinema to benefit the whole community*

*Category C*

Dating back to 1935, the Broadway Cinema is a surviving example of Scotland’s golden age of cinema. To this day, the Art Deco building retains some unusual and important features, including timber paneling in many areas, decorative stepped paneling to the auditorium, and a unique camel design on the air vents. The projection room also appears as a time capsule, with reels and equipment remaining in the same spot as when they were last used. The last film was shown in 1976, after which the building was put to many uses, including a leisure centre, amusement arcade and squash courts.

Friends of the Broadway Prestwick was set up to identify a way to bring the building back into meaningful use. The plans have since developed to include a cinema, a multi-purpose entertainment venue, and an inclusive dementia-friendly space that will benefit the whole community.

The AHF has supported the Friends of the Broadway Prestwick with a number of small grants to test and explore ideas of how best to use the Broadway Cinema, and to enable them to make the case to the Scottish Land Fund to allow them to purchase the building from the private owner. Two Historic Environment Scotland-supported Project Viability Grants were made in 2018 and 2021, as well as a William Grant Foundation Tailored Support Fund grant in 2023 towards emergency roof repairs.

The Broadway Cinema was successfully brought into community ownership in December 2023. Further, thanks to additional funding for a Project Development Officer, the next phase of planning and development can now begin, bringing the project to restore this iconic building one step closer to reality.

[www.friendsofthebroadwayprestwick.com](http://www.friendsofthebroadwayprestwick.com)

### **AHF Funding**

Project Viability Grant - £4,721 (2018)

Project Viability Grant - £5,000 (2021)

Tailored Support Fund Project Development Grant - £5,000 (2023)

Project Development Grant - £12,375 (2024)

## **Parkanaur Manor House**

Dungannon, Co. Tyrone, Northern Ireland

Thomas Doran Parkanaur Trust

*Listed buildings within important demesne to provide new employment opportunities*

*Grade A Manor House and outbuildings, Grade B gate lodge*

Parkanaur Manor House was built between 1839 and 1854 for John Burges, who had made his fortune in the East India Company. Designed in a Tudor Revival style by well-known local architect, Thomas Duff, it has a terraced front, with octagonal pinnacles and gables at each projection. The house remained in the Burges family until they moved to England in 1955, when it was bought by American millionaire, Thomas Doran, who had emigrated from nearby Castlecaulfield as a teenager. He made Parkanaur available to his friend Rev. Gerry Eakins to develop a new centre for the education of young adults with disabilities. The house reopened in 1960 as 'The Thomas Doran Training Centre' (now Parkanaur College). While the main house continues in this role today, the other listed building within this important demesne, including the courtyard buildings, gate lodge, walled garden and pavilion, are underused, with some of the buildings falling into a state of disrepair.

The Thomas Doran Parkanaur Trust is a registered charity committed to promoting the vocational education and personal development of people with a range of learning difficulties and disabilities, helping them to achieve their full potential. It also provides residential care to young people with disabilities and mental health issues, including people with autism and challenging behaviour, with students coming from across Northern Ireland and from a range of backgrounds. As part of a 5-year strategy for its development of the site, the Trust plans to bring all the buildings in the Parkanaur Manor House demesne back into use to provide employment opportunities for people who have difficulty

securing and sustaining jobs. This includes extending its existing training and residential accommodation, as well as expanding existing social enterprises on site, informed by its work with the Strategic Investment Board and the Mid-Ulster Community Plan. The proposed adaptation of the stable block for supported living accommodation for long-term residents, residential students and staff, coupled with the ambition to develop social enterprises on site, would expand the Trust's already significant social impact.

The AHF awarded the Trust a Project Viability Grant in 2021 to enable it to produce a viability report. The study adopted a phased plan for the rescue and return to productive use of the unused historic buildings and included indicative costs and outline plans. This allowed Trustees to identify statutory requirements and potential funding sources and provided the basis for approaches to philanthropic individuals and organisations. A Project Development Grant, awarded in 2023, is currently helping the Trust to build on the viability work, draw up detailed plans by a conservation-accredited architect, and to fully develop its business case.

[www.parkanaurcollege.org](http://www.parkanaurcollege.org)

### **AHF Funding**

Project Viability Grant- £7,500 (2021)

Project Development Grant - £15,000 (2023)

## Canada House

Sheffield, South Yorkshire, England

Harmony Works Trust

*Reinvigorating a 19th-century building as a permanent facility of musical excellence*

*Grade II\**

Dating back to 1874, Canada House is located in the heart of Sheffield city centre, and was until 1972 occupied by the Sheffield United Gas Light Company. Various uses have followed since, including a Chinese restaurant and offices, but today it stands vacant.

In 2015, a partnership was formed between two established organisations, Sheffield Music Academy and Sheffield Music Hub, with an aim to find a permanent home for music education in the city. Upon discovering the Grade II\* listed Canada House in 2017, the partnership launched a vision to restore and convert the building into a new, central music education hub called Harmony Works. Plans to revitalise Canada House make the most of the historic spaces, retaining its unique heritage features, whilst also making sure that it is accessible and welcoming to all. Once complete, Harmony Works will be home to every genre of music and music-inspired culture, offering teaching, performance and practice spaces, a caf and student facilities, which will support all types of musical development to meet the needs of diverse and talented young musicians across the city and region.

The AHF has supported the partnership with three grants since 2019, which enabled the project to complete initial viability and development work. This paved the way for inclusion in Sheffield's Levelling Up Bid, which secured £1.6 million for the purchase of the building, and Round One development funding from the National Lottery Heritage Fund. Having been awarded charitable status in August 2023, Harmony Works Trust successfully acquired Canada House in May 2024, moving the project one step closer to realisation. The Trust is currently applying for additional funding support for the next phase.

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

### AHF Funding

Project Viability Grant - £7,500 (2019)

Project Development Grant - £28,600 (2019)

Project Development Grant - £71,560 (2020)

## Gwesty'r Tŵr (Tower Hotel), Pwllheli

Pwllheli, Gwynedd, Wales

Menter y Tŵr

*Future of historic High Street building secure under community ownership*

*Grade II*

Gwesty'r Tŵr (Tower Hotel) is a landmark historic building situated on the High Street of the market town of Pwllheli. Built around 1875 in an Italianate classical style, the hotel is spread over four storeys consisting of 16 guest bedrooms, a ballroom, a restaurant and a bar. To the rear is a stable block and outbuildings surrounding a courtyard. It was once a bustling business, regularly hosting weddings and other social gatherings, and holds a special place in the heart of the community. Ownership of the building had passed through many hands and the doors eventually closed in 2019. In August 2022, it was put on the open market.

In recent years, other large hotels in Pwllheli have been purchased by private landlords and converted into temporary, sheltered accommodation, but without the support the individuals need. This is having a detrimental impact on the individuals and the town. The community were determined that Gwesty'r Tŵr would not suffer the same fate.

Menter y Tŵr is a community benefit society set up with the aim of securing the ownership of Gwesty'r Tŵr for the benefit of the community. In October 2023, it launched a community share offer with a target figure of £400,000. Just six weeks later, more than 1,300 people had invested over £500,000, demonstrating the strength of support for the project. This enabled the Society to acquire the freehold of the site and complete emergency repairs to the hotel façade. Menter y Tŵr is now planning a phased re-opening of the site, all under community ownership, which will provide a mix of uses, including a pub, café/restaurant, function rooms, meeting rooms, and co-working offices in the hotel. The stables to the rear of the site will be conserved and opened as makerspaces, workshops and street food stalls.

The AHF is supporting Menter y Tŵr Trust with a Project Development Grant, awarded in March 2024. This is contributing towards commissioning a multi-disciplinary design team, led by a conservation architect, to complete structural surveys and develop the architectural plans through to the end of RIBA Stage 4.

[www.ytwr.cymru](http://www.ytwr.cymru)

### AHF Funding

Project Development Grant - £39,875 (March 2024)

## Leigh Spinners Mill

Leigh, Greater Manchester, England

Leigh Building Preservation Trust

*Historic mill expands capacity with loan from Thrive Together Fund*

*Grade II\**

Leigh Spinners Mill is a fine example of a 20th-century cotton mill that stands as a testament to the region's industrial heritage. The mill was built in two phases in 1913 and 1923 and designed in the Italianate style by Bradshaw Gass & Hope. At its peak, the mill employed hundreds of local people.

As the UK textile industry declined from the mid-20th century, operations gradually reduced and almost all of this very large site became derelict.

Leigh Building Preservation Trust was formed with the aim of saving Leigh Spinners Mill and giving the site a sustainable future. The Trust has already restored and converted one of the two main mill buildings into a flexible and affordable space, subdivided into a mixture of for-hire event spaces and units, which are occupied by charities, social enterprises, and small businesses. With over 60 tenants, the building is home to a wide range of services, including a dance studio, independent cinema, sporting facilities, and a craft workshop. There is also a community garden within the grounds.

The AHF first supported the Trust in 2013 with a grant to look at the viability of the site, followed by further grant funding to support the development of plans for the mill buildings. By 2023, the open mill building was fully occupied and thriving. In order to scale up its existing activity within the building, the Trust began work to open the top floor of the mill and was subsequently offered blended finance (loan and grant) from the Thrive Together Fund to support significant infrastructure improvements. The Thrive Together Fund is delivered by the AHF in a partnership with Social Investment Business.

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

### **AHF Funding**

Cold Spot Grant - £5,000 (2013)

Project Viability Grant - £4,900 (2017)

Project Development Grant - £7,500 (2018)

Thrive Together Fund - £150,000 (2023)

## **Culmore Fort**

Culmore, Derry, Northern Ireland

Culmore Community Partnership Ltd

*Repairing and restoring a historic stone fort for community use*

*Grade B+*

Culmore Fort is a stone fort, two storeys high, situated in Culmore Village to the northeast of Derry City. It was originally constructed in 1600-1649, along with earthen ramparts and a ditch, as a strategic defensive site overlooking Lough Foyle. Due to its location, Culmore Fort has witnessed many historic events that have shaped the history of Ireland and the establishment of the city of Derry. Most of the original fort was destroyed in 1688, though the tower and associated earthworks survived. It remained in a ruinous condition until 1780 when it was reconstructed by General Hart. Further repairs were carried out by the resident of Culmore House in 1830 and the fort was referred to as a coastguard station in 1858. The fort is currently closed to the public and is being used as a storage area by Lough Foyle Yacht Club.

Culmore Community Partnership (CCP) is a charity formed for the public benefit of urban and rural regeneration in the Culmore area of Derry City. The group was interested to explore the potential of restoring Culmore Fort and the surrounding land for community use, creating employment and

volunteering opportunities and providing new services in a rural area. It also wishes to develop the site more fully to deliver mental health and wellbeing support for young people.

In 2022, the AHF awarded CCP a Village Catalyst Project Viability Grant towards public consultation, a condition survey and concept design to seek indication of the scope of work needed to make Culmore Fort suitable for public use and to identify the potential costs involved. In 2023, the AHF awarded CCP a Project Development Grant for 50% of costs towards Architectural Design, a business plan and other professional fees.

[culmorehub.org](http://culmorehub.org)

### **AHF Funding**

Project Viability Grant (Village Catalyst) - £8,000 (2022)

Project Development Grant (Village Catalyst) - £20,000 (2023)

## **Kerrera Old School**

Isle of Kerrera, Argyll, Scotland

Isle of Kerrera Development Trust

*From redundant school building to a thriving hub for the community and visitors alike*

Prominently situated on the small Isle of Kerrera, immediately offshore from Oban, this redundant school building dates from 1872 and is one of a few historic buildings on the island. It is a single storey, traditional rubble stone structure, with a duo-pitch slated roof comprising three rooms: the entrance and kitchen area, the main school room, and a 1980's toilet block extension. The school closed in 1997 and, while structurally sound, the building was suffering with water ingress and signs of dampness.

The Isle of Kerrera Development Trust was set up in 2009 to sustain the island, including its community, amenities, culture and heritage. With no amenities on the island to serve a youthful and growing population, the local community was keen to re-purpose Kerrera Old School as a community facility for a range of activities. In addition to use by islanders, the space would be available for hire (particularly from groups engaging in outdoor activities and provide basic facilities for tourists during the summer season. A separate bothy providing visitor accommodation would assist with ongoing revenue for the Trust. Traditional skills training was also to become a key element of the project, along with sourcing materials as locally as possible. The school building was acquired in 2019 with funding provided by the Scottish Land Fund.

The AHF supported the Trust a couple of times as this project developed, initially awarding a Project Development Grant to secure technical advice to specify conservation repair methods and materials, particularly considering the exposed location. A further grant was then awarded to assist with the cost of a technical project manager at a critical time when there was pressure to secure the building warrant - this being necessary to enable draw down of capital funds for the initial package of wind and watertight works. Overall, a funding package of twelve funders plus creative crowdfunding initiatives met capital costs of circa £500K. The project completed and opened in March 2024, now operating as a successful hub for both the community and visitors alike.

<https://isleofkerrera.org/old-school>

### AHF Funding

Project Development Grant - £4,500 (2020)

Project Development Grant - £7,819 (2020)

## Looe Coastguard Flats

East Looe, Cornwall, England

Three Seas Cornwall

*Creating affordable community-owned housing in historic buildings*

*Grade II*

This row of historic cottages sits high on the steep sides of Looe, overlooking the harbour, and is considered to be a particularly impressive example of its type. Prominently positioned, with houses flanking a central observation room, the limestone terrace was built in 1892-93 to serve as a coastguard station for this port town and is a distinctive local landmark. Cornwall Council converted the terrace into social housing flats during the twentieth century, but the dwellings have become increasingly vacant given the cost and complexity of improving the accommodation and carrying out a necessary package of repairs to the historic fabric on this restricted site.

Three Seas Cornwall was established as a specialist charity supporting the creation of community housing in Cornwall's Coastal Communities (3Cs). They have developed the experience and skills to help local people find, buy and refurbish housing for long-term, low-cost rent. The charity has secured around £2million to adapt the Looe Coastguard Flats to create 11 affordable flats for local people. The secured funding will enable the refurbishment of the dwellings, while the charity has further ambitions to secure additional funding to install green energy generation on site.

The AHF has supported Three Seas with a Project Viability Grant, made possible by Historic England and the Pilgrim Trust, providing early-stage funding to undertake a feasibility report on the Coastguard Flats and, in particular, to support the production of a number of specialist site surveys. Three Seas currently has a confirmed arrangement for the Looe Coastguard Flats to transfer from the Council to the charity once its Registered Provider status is in place, which is anticipated to be in September 2024.

### AHF Funding

Project Viability Grant - £10,000 (2023)

## No.30 The Square

Huntly, Aberdeenshire, Scotland

Huntly & District Development Trust

*A community-owned historic multi-purpose venue in the heart of Huntly town centre*

*Category B and C*

No.30 the Square comprises two buildings situated directly on the square of this small market town in rural Aberdeenshire. Dating from 1875, it was occupied by local department store Cruikshanks, which

over time expanded operations from a shop unit to fill the two buildings. The main heritage merit lies in the exterior, with a return gable comprising angle turret and conical slate roof. Interior features have mostly been lost, but in terms of reuse, the building offers the only open-plan accommodation in the town centre.

Huntly & District Development Trust was formed in 2009 to work collaboratively towards building a resilient, inclusive and enterprising community. The town centre had suffered with vacant units, unable to attract passing trade. Community consultation with many local groups indicated the need for a multi-purpose community facility. In 2019, a year after its closure, the Trust acquired No.30 with funding provided by the Scottish Government's Town Centre Fund. Having been restored and brought back into use, the completed building now accommodates flexible and accessible event spaces, including a 60-seat cinema, co-working space, meeting rooms, a café and retail space, as well as a changing places facility.

Thanks to support from the local authority, plans for this project were fairly advanced by the time the Trust sought assistance from the AHF. A Project Development Grant was awarded to plug a funding gap by contributing towards design team fees, which then enabled the Trust to progress with capital funding bids. With a funding package of seven funders, capital works completed in spring 2024, and the building opened to the public in late summer. As a result of the Trust's achievement in bringing this large-scale property back into productive use, further investment is now coming into the square.

[www.huntlydt.org](http://www.huntlydt.org)

#### **AHF Funding**

Project Development Grant - £16,029 (2019)

## **The Lighthouse, Harlesden**

Harlesden, London, England

Refugee Education UK

*Former high street bank transformed into an education centre for young refugees*

In common with towns across the country, one of the most prominent buildings on Harlesden's high street, a large four-storey bank, sat closed and vacant. Built in 1891 and standing opposite the town's landmark Grade II-listed Jubilee Clock, the former bank is located in Harlesden Conservation Area and High Street Heritage Action Zone and was identified as a heritage asset in the Harlesden Neighbourhood Plan.

A local charity, Refugee Education UK, bought the building in 2020 with two key aims: to provide a permanent home and national headquarters for the charity and their work helping refugee and asylum-seeking children and young people access education; and to create a flexible space and community hub for local charities and social enterprises. The building needed significant redesign and renovation to deliver this vision, including conversion of the basement and attic, completed in late 2023. The renamed Lighthouse is now a beautiful light-filled space, providing a safe and welcoming place for young people, housing the charity, and hosting their partners.

In 2020, the AHF awarded Refugee Education UK a major Transformational Project Grant towards capital works and professional fees. The project has also been supported by a wide range of additional funders,

including Brent Council, Historic England, the Constable Educational Trust, the Garfield Weston Foundation, and many individual donors. The Lighthouse officially opened its doors in June 2024.

[www.reuk.org](http://www.reuk.org)

### **AHF Funding**

Transformational Project Grant - £305,574 (2020)

## **Liskeard Library**

Liskeard, Cornwall, England

Real Ideas Organisation

*Renovation of John Passmore Edwards library creates a contemporary space fit for the 21st century*  
*Grade II*

Liskeard Library is a Grade II-listed, purpose-built John Passmore Edwards library, constructed to reflect the belief that everyone should have access to knowledge and learning. Since its original opening in 1896, the Flemish Renaissance style building has housed a library, often alongside other functions, including a bank.

By 2017, despite remaining as an important community resource, Liskeard Library had fallen into a poor state of repair. To enable it to become an inclusive, contemporary space, the building required significant capital works and modernisation. A community asset transfer took place between Cornwall Council and Real Ideas Organisation - an award-winning social enterprise that works to create positive and lasting social change - which took on the building and library services.

Reopened in September 2023, the renovated Liskeard Library now serves as a cultural and creative centre, as well as a public library. The revitalised building is now a hub of community activity, drawing a wider demographic and helping to regenerate Liskeard's town centre. With new facilities, including a café, co-working space and creative workshops, the library has also seen an increase in library use and membership.

The AHF has supported the regeneration of Liskeard Library at various stages of the project, initially awarding Real Ideas Organisation a Project Development Grant in 2018 to support the development of architects' plans. The planned reconfiguration and thoughtful opening up of internal spaces, plus strong community engagement, subsequently helped Real Ideas to secure a first-round Transformational Project Grant through the Transforming Places through Heritage programme in 2019 - this supported the renovation of the building. Further, a Heritage Impact Fund loan towards the completion of the capital works to the building was made in 2023. The loan was critical to the completion of the project, helping to make up a budget shortfall caused by unexpected complications with the building.

<https://real-pathways.realideas.org/liskeardlibrary/>

### **AHF Funding**

Project Development Grant - £30,000 (2018)

Transformational Project Grant - £150,000 (2019)

Heritage Impact Fund Loan - £225,000 (2023)

## 6 Financial review for the year ended 31 March 2024

### a. Financial overview

Total income grew by 50% (+£2.1m) this year when compared to the previous financial year, with increases in both restricted and unrestricted income.

There was a 61% (+£1.9m) uplift in government grants, due to £2.7m funding from NLHF (part of a £5m grant) for our new HDT programme and also significant additional funding from Historic England and Cadw for our core programmes in England and Wales respectively. These increases were partly offset by the reduction in income, following the end of the Transforming Places through Heritage (TPtH) programme.

Two new partnerships, providing support to Community Ownership Fund applicants and appraising applications to the Thrive Together Fund, generated unrestricted income of £113,000.

The continuing rise in interest rates more than doubled investment income this year and our long-term investments recovered some of the losses of 2022/23, delivering gains of £52,082 in 23/24. Our short-term investments generated additional gains of £115,729 (2023: £217,391 net total investment losses).

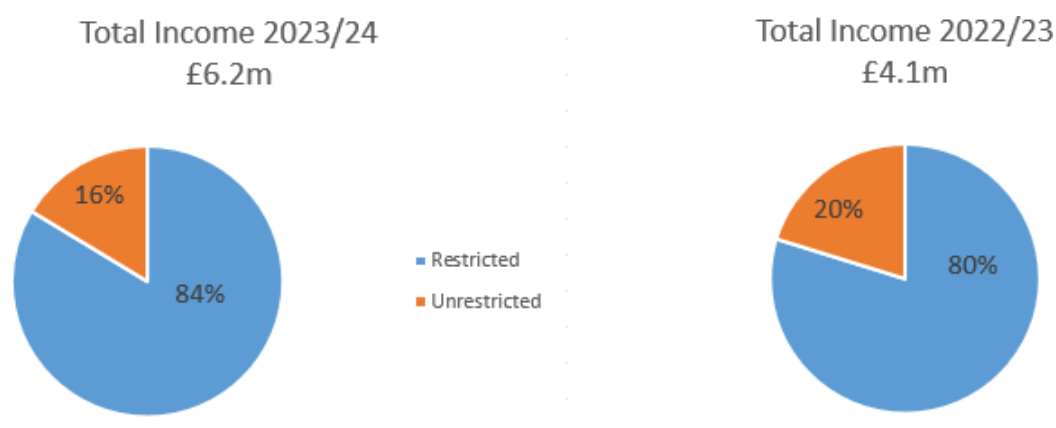
The additional grantmaking made possible by our increased government funding was the primary factor in the 33% increase (+£1.4m) in expenditure on charitable activities. This, and other cost increases in the year, were offset by reduced costs in loan-related areas, primarily due to a net decrease in the endowment bad debt provision for both capital and interest.

The total value of loan offers and extensions (excluding offers not taken up) was £1.1m less than the previous year and this meant fewer loan commitments at the year-end (£1.3m vs 2023: £3.3m). Also, last year's commitments included two substantial loans which were yet to contract but have since been disbursed. Interest from our disbursed loans saw a modest fall of 3% (-£16,000).

The rise in investment and partnership income along with the gains on our investments (£126,000) and the £99,000 reduction in the interest bad debt provision helped to deliver a £376,000 unrestricted fund surplus this year (2023: £70,000). The total net income of £743,000 further strengthens the AHF's financial position and resilience and increases our capacity to participate and partner in future opportunities.

## **Income analysis**

**Fig 7. Total income**



Total income for the year ended 31 March 2024 was £6.2m (2023: £4.1m) with government grants increasing by £1.9m overall, compared with the previous year. Whilst the end of the TPtH programme meant a significant reduction in income from DCMS, compared with last year, this was more than offset by £2.7m in new funding from NLHF, for the new Heritage Development Trusts programme, which launched in 2023.

Other new government grants this year included £508,000 funding from Historic England, for more grants to high street projects in England and £383,745 funding for our other England activities, including early-stage grants and our network of Support Officers. The England programme was also supported by the Pilgrim Trust as well as the AHF, and we received £50,000 from West Midlands Combined Authority for a West Midlands grants programme.

The increase in government grants was also driven by significant additional support from Cadw for the AHF's work in Wales, increasing its grant funding in the previous year by £250,000, to £600,000, and investing a further £100,000 (2023: £nil) into the Heritage Impact Fund.

Funding for our programmes in Scotland and Northern Ireland remained strong, and broadly consistent with the previous year.

Unrestricted income from charitable activities benefitted from two new partnerships in the year, with Locality (Community Ownership Fund) and Social Investment Business (Thrive Together Fund); these generated £89,870 and £23,056 before costs (2023: both £nil).

Higher base rates and optimising our use of short-term deposits more than doubled our investment income this year; income from lending saw a slight drop compared with the previous year. Donations were lower this year due to last year including a one-off corporate donation of pro bono legal services.

## **Expenditure analysis**

Total expenditure on charitable activities and raising funds was £5.6m (2023: £4.2m).

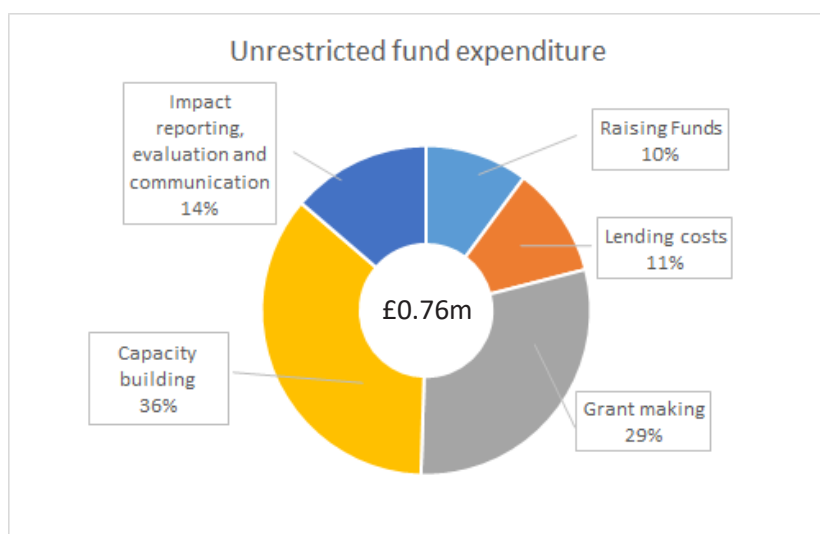
Grant making expenditure rose by £1.8m in the year due to the scale of the HDT programme revenue grants (£2.4m) and the significant additional grants budgets in England and Wales in particular.

Unrestricted expenditure on capacity building increased to £272,392 (2023: £149,970); this was partly due to the cost of consultants working with us on the Community Ownership Fund support and partly due to more investment team time being allocated to the Thrive Together Fund and our other capacity building activities. Impact reporting and evaluation expenditure also increased, reflecting the final evaluation of the TPtH programme, HDT programme evaluation and impact activities, and the further development of our own evaluation framework for the current strategy period 2023-2028.

These areas of higher spend were offset by a net £240,721 reduction (2023: £245,054 increase) in the bad debt provision and the repayment of a loan which had been previously provided for.

Total unrestricted expenditure on charitable activities was consistent with the previous year and the AHF once again contributed £5,000 (2023: £5,000) towards the Heritage Trust Network's conference.

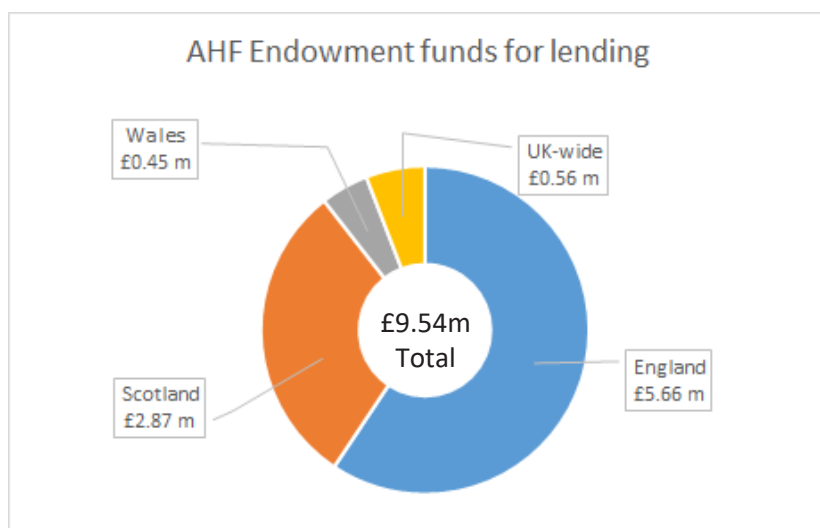
**Fig 8. Unrestricted fund expenditure**



## **Funds**

The AHF's total charitable funds increased by £0.7m (2023: £0.3m decrease) to £18.1m (2023: £17.3m) of which £17.3m constituted the AHF's lending resources (2023: £16.6m).

**Fig 9. AHF Endowment funds for lending**



The Endowment Fund increased by £185,000 (2023: £34,000 increase); this figure comprises a £149,000 benefit due to the reduction in the Fund's bad debt provision, in addition to the repayment of a bad debt, which had previously been provided for, and investment gains.

The restricted fund increased by £182,000 (2023: £429,000 decrease, including £2m fund reclassification) mostly due to Cadw's £100,000 investment in the HIF, £40,000 funding from the DfC for a two-year part-time Support Officer post in Northern Ireland, and investment gains.

Of the £6.0m restricted funds held at the year-end, £3.9m (2023: £3.8m) represents the cumulative HIF lending funds contributed by our external partners (net of bad debt charges), and £2m (2023: £1.9m) additional funds available for lending purposes.

The unrestricted fund achieved a surplus of £251,000 (2023: £93,000 surplus) before investment gains of £126,000 (2023: £23,000 losses).

## **b. Remuneration**

### **Pay**

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

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

In April 2023, all employees were awarded a 4% pay increase.

During the year, the highest paid member of staff was in the £90,000 - £100,000 band (2023: £80,000 - £90,000 band). The ratio between the highest paid salary and the median AHF salary of £40,288 (2023: £38,010) was 2.6 (2023: 2.4).

### **Pensions**

The Charity offers employees the opportunity to join its discretionary retirement savings scheme, a Group Personal Pension Plan provided and administered by The Prudential Assurance Company Ltd on behalf of the Architectural Heritage Fund. Contributions made by the AHF to the scheme in the year totalled £66,657 (2023: £64,164).

## **c. Reserves**

The Trustees have reviewed and updated the AHF's reserves policy, to more explicitly reflect the underlying risks facing the charity and to ensure that we continue to have an appropriate level of free reserves (i.e. excluding restricted and designated reserves) to safeguard our operations and achieve our strategic objectives.

- We reviewed projected financial performance including cash flow requirements. The AHF's business model means that income and expenditure can be forecast with reasonable accuracy in the short term. However, there are uncertainties, including: timing as to when loans will be drawn, the availability of funding in the medium term, and the economic environment.
- We considered how we would continue to operate if there was a sustained and significant reduction in loan-related income or capital funds to lend, or in the event that successor funding was not secured at the end of our current programmes.
- We estimated the potential financial impact of other significant short to medium term risks, as identified in the AHF's Risk Register, and their likelihood.

In all cases, we took into account existing mitigations including the bad debt provision, insurance policies, and the Designated Lending Fund reserve.

#### **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 or in short term investments, on terms consistent with financial prudence and ready accessibility. Net gains on investments across all funds were £167,811 (2023: £217,391 losses) and net income from investments and bank deposits for the year amounted to £295,098 (2023: £144,230).

#### **e. Going concern**

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

As part of the going concern review, the Trustees reviewed detailed budgets and cash flow forecasts to 31 March 2026, taking into account the current challenges of heightened interest rates, inflation, and energy costs, all of which will continue to affect the organisations we support, at least in the short to medium term; however, based on these forecasts and the level of reserves available, the Trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements as they do not consider there to be any material uncertainties about the charity's ability to continue.

## **7 Plans for the future**

Our plans for the forthcoming year include:

- Developing the detailed programme for the 50<sup>th</sup> Anniversary campaign and associated fundraising plan;
- Delivering the Heritage Impact Fund loan offer target and other KPIs, and more broadly working on the pipeline of lending applications;
- Further development of new funding proposals, including the latest bid to Historic Environment Scotland and the Heritage Housing Fund;
- Engagement with new Ministers and political stakeholders throughout the UK;
- Delivery of the second year of the UK-wide Heritage Development Trust programme;
- We will also be working on the induction of new Trustees and reviewing and updating the governance structures that underpin the Board; this will include an up-to-date review of the Charity Governance Code.

## **8 Governance statement**

### **a. The AHF's charitable objectives**

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

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

### **b. The AHF's public benefit**

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

### **c. Our values**

The organisation's values, as outlined in our Strategy 2023-28, are:

#### **1. Enabling**

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

#### **2. Collaborative**

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

#### **3. Expert**

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

#### **4. Grounded**

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

#### **5. Inclusive**

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

#### **d. Equality, diversity and inclusion (EDI)**

During the year we continued to look at how to deliver on the relevant EDI findings and recommendations within our most recent Strategy evaluation. This has included:

- Continued membership of the social investment sector umbrella, the Diversity Forum, and providing a first update for the Forum's manifesto reporting.
- Implementation of new application questions relating to projects' intentions for addressing under representation and diversity.
- Continuing work to ensure the Board and staff team are broadly representative of the UK population and work in an inclusive and supportive environment. This has included the use of specialist recruitment bodies to help fill Trustee roles and taking into account diversity considerations when making appointments.
- A survey was undertaken with the Board in line with the Charity Governance Code to assess Board effectiveness. In summary this found the Board to be operating in an effective way and noted areas where the Board would like further support. An inclusive behaviours survey was undertaken with the staff team to understand the organisational culture of the staff team. Again, this broadly found the executive and staff team to be operating in an inclusive way and within a healthy organisational culture. It suggested a number of ways in which the organisation could further support staff development that will be looked into.

Further work will be done to update the EDI action plan in the forthcoming year. An important priority will be the review of the data that comes through the application questions regarding EDI issues and what this tells us about how projects are addressing these issues. That, in turn, will give us further steers about how we work with projects to look at how they address this priority within their organisations.

#### **e. Principal risks and uncertainties**

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

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

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

exposure to loan losses as far as possible through its assessment and loan monitoring processes. Provision for bad debt is made in the AHF's forward financial planning, and one of our objectives is to replenish and increase the value of the endowment fund through fundraising.

### Risk Management Process

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

- A comprehensive risk management framework – including a risk management policy and guidance and risk register – which addresses the Charity Commission's guidance. This consists of different stages, from understanding the risk environment through risk identification, analysis and evaluation to risk treatment.
- The maintenance of a risk register, which is reviewed regularly by the Senior Management Team and twice a year by the Audit & Risk Committee. The risk-management strategy forms part of the planning process, against which the Board reviews progress formally every year. The organisation also maintains risk registers for any significant externally funded programmes; this currently includes the Heritage Impact Fund.
- As well as the risk register, the organisation also undertakes a PESTLE (Political, Economic, Social, Technological, Legal and Economic) analysis of the longer-term risks facing the organisation, to enable the Audit and Risk Committee and the Trustees to foresee and assess risk through a wider contextual framework.
- The Board reviews the key risks following the Audit and Risk Committee's bi-annual review.

**Fig 10: Top risks currently facing the AHF**

Risk Area	Risk Description	Risk Management
<b>External</b>	In the short to medium term our work does not meet the needs of our existing or prospective funders; or the general funding environment becomes constrained. Our grant income decreases.	Close contact with new and existing grant funders / stakeholders is being maintained to ascertain new opportunities. New grant funding has been launched in England but future funding is potentially at risk due from Spending Review cuts. General risk to UK public funding currently.
<b>Operational</b>	Borrowers default on loans and repayment of capital and interest decreases significantly. Endowment and HIF eroded rendering AHF's lending capacity diminished.	There are still post Covid, cost of living and inflation related challenges facing many projects, although these have arguably stabilised as a 'new normal'. Close monitoring of lending clients and increased engagement with high-risk projects continuing. Bad debt provisioning continues to be made when required.

<b>Operational</b>	Our services & products do not meet the needs of our existing or prospective clients. Lack of funding to award, both grants and loans.	The SMT and teams regularly review project needs for both financing and support. We recently launched the Heritage Development Trust programme that helps organisations with much needed revenue funding to develop and grow. We continue to work on various new funds, including the Heritage Housing Fund, and continue to review how to increase demand for our loans
--------------------	--	--

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

#### **f. Structure, governance and management**

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

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

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

#### **g. Board of Trustees**

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

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

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

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

The Board meets at least five times a year.

## **h. Committees**

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

### *Audit and Risk Committee*

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

### *Nominations Committee*

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

### *Credit Panel*

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

### *The Heritage Impact Fund Credit Panel*

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

### *Grants Panel*

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

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

**Fig 11: Trustees serving during the year and since the year end**

Board		Board Committees				
Trustees	Year of appointment	Audit & Risk	Credit Panel	HIF Credit Panel	Grants Panel	Nominations Committee
Ros Kerslake (Chair)	2022					*
Myra Barnes (resigned March 24)	2013	*	*	*		*
James Bowdidge	2019		*	*		
Ade Alao	2018		*	*		*
Peter Williams	2024	*				
Graham Fisher	2019				*	
David Hunter (Chair of Credit Panel)	2017		*	*		
Roy Hodson (Chair of Audit & Risk Committee)	2016	*				
Karen Latimer	2018				*	*
Menna Jones (resigned July 2024)	2023				*	
Syreeta Bayne	2024					
Greg Pickup	2020				*	
Suzanne Snowden	2017	*				*
Neal Shasore	2020					
Esther Robinson-Wild	2021	*	*	*		
Audrey Carlin (Chair of Grants Panel and Deputy Chair)	2021				*	
Andy Westwood	2024					

## **Trustees**

### **Ros Kerslake CBE (Chair)**

Ros Kerslake CBE has more than 25 years' board level experience in the property and regeneration sectors, serving as chief executive, non-executive director and chair for a number of public, private and third sector organisations.

Previously she was Chief Executive Officer of the National Lottery Heritage Fund, overseeing circa £400m per annum of project investment, alongside a major organisation transformation programme of the UK-wide body. Her earlier roles include Chief Executive of The Prince's Regeneration Trust, leading urban regeneration across the UK, Chief Executive for Regen Co, Sandwell, and Director of Property at Network Rail.

Ros is on the board of Sanctuary Housing Group and Homes England and is a trustee of regeneration charity Re-form Heritage and the University College of Estate Management. She chairs Leeds Castle Foundation. She was awarded a CBE in 2020 and an OBE in 2016 for services to heritage. She is a qualified solicitor (N/P).

### **Ade Alao**

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

### **Syreeta Bayne**

Syreeta joined Muse in 2023 as the Head of Social Value and Sustainability from JLL where she was working as their EMEA Head of Social Value as part of the Global Sustainable Operations Team. With circa 15 years' experience, six of which were in the construction sector working at Interserve and BAM UK, Syreeta has created and led various social and sustainability projects in partnership with private and public sector clients including Aviva, Legal and General Investment Management, La Salle and Homes England.

Syreeta's main drives at Muse is to develop the combined strategy for social impact, sustainability, and equality, diversity and inclusion, called "Our Sustainable Future". Syreeta brings her experience and expertise to AHF, supporting it on its journey to create impactful places and community hubs.

### **Myra Barnes**

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

### **James Bowdidge**

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

### **Audrey Carlin (Chair of the Grants Panel and Deputy Chair)**

Audrey Carlin is an experienced leader in the delivery of heritage and regeneration projects. A Town Planner by profession, she has over 30 years of professional experience, delivering over £50m of regeneration focused activity in Scotland in this time, while working with a number of local authorities then with two of Scotland's first Urban Regeneration Companies – Clydebank Rebuilt and Clyde Gateway. Audrey currently leads Wasps, Scotland's largest provider of affordable high-quality studio, office and working space to the creative sector, as Chief Executive Officer. Wasps supports 1000 artists, creative industries and cultural tenants in 20 locations across Scotland, from the cities, rural areas, and Islands. Audrey is an active supporter of the arts and is Vice Chair to the Board of the National Galleries of Scotland and Chair of their Major Capital Projects Committee, overseeing nationally significant development projects including the Award winning expansion of the Scottish National Gallery, reopened in 2023.

### **Graham Fisher (Chair of the Grants Panel)**

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

### **David Hunter (Chair of the Credit Panel)**

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

### **Menna Jones**

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

### **Karen Latimer OBE**

Karen Latimer is a library buildings consultant and Chief Adviser to UK Designing Libraries. In parallel with her professional career she has over 40 years' experience in the architectural heritage sector in Northern Ireland and is currently on the Board of Hearth Historic Buildings Trust, The Boomhall Trust and the Irish Architectural Archive (Chair of the Collections Committee), and is Publications Editor for the Ulster Architectural Heritage Society.

### **Suzanne Snowden**

Suzanne Snowden is a marketing and communications consultant with experience in a variety of communications, marketing and insights roles. As founder and Director at Message Consulting Limited, she helps clients with their messaging and thought leadership strategies, including the design and roll-out of complex international research campaigns. Previously Global Director of Thought Leadership at PwC, Suzanne led the firm's research, marketing and insights programme globally. She brings experience advising on brand positioning, thought leadership, communications and digital marketing.

### **Neal Shasore**

Neal Shasore is an architectural historian and Head of School at the London School of Architecture, based in Hackney, East London. He is passionate about equality, diversity and inclusion in the built environment. He has published widely on architectural culture in early twentieth century Britain. He is a member of Historic England's London Advisory Committee.

### **Greg Pickup**

Greg is Chief Executive of the Churches Conservation Trust, a charity charged with the care of over 350 historic churches and dedicated to using these to support and regenerate communities. Previously he was the CEO of Heritage Lincolnshire, a heritage development trust with whom AHF has worked on a number of projects. Greg has also worked for the National Lottery Heritage Fund, as Fund Manager for the £20m Derby Enterprise Growth Fund, as well as on a range of projects during a period running his own consultancy, including Townscape Heritage and LGBTQ history projects. In addition to serving on the board of AHF he was formerly a Trustee of the Arkwright Society, custodians of Richard Arkwright's Cromford Mills complex in the heart of Derbyshire's Derwent Valley Mills World Heritage Site.

### **Esther Robinson Wild**

Esther Robinson Wild is a Historic Environment Consultant with extensive experience of working on a wide range of projects in all areas of the historic environment including listed buildings, historic buildings and places, conservation areas and archaeology. She has a background in finance and real estate having worked for over ten years as an Analyst in various City of London-based financial institutions. She is a former member of the Board of Directors of the Chartered Institute for Archaeologists (CIfA), and former co-lead of the London School of Architecture and the AHF's jointly delivered Part 4 course 'Working with Heritage'. Esther has a MA in the Archaeology of Buildings from the University of York. She is also a Fellow of the Society of Antiquaries of London.

**Andy Westwood**

Andy Westwood is a Professor of Public Policy, Government and Business and a director of the Productivity Institute at the University of Manchester. He is also a governor at NIESR and at the University of Wolverhampton and an advisory board member of the Bennett Institute at Cambridge University. He also works as an expert adviser to a range of organisations including the IMF, OECD, EU and to the Economic Affairs Committee in the House of Lords. Previously he worked as a special adviser to UK ministers on innovation, education and skills during the last Labour government.

**Peter Williams**

Peter Williams has spent over 30 years in a variety of both executive and non-executive positions in consumer-facing businesses spanning retail, leisure, media and consumer products. During his executive career, Peter was on the board of Selfridges for 13 years, initially as CFO and then as CEO, during its radical transformation to become the world's leading department store. Following Selfridges, he was the CEO of Alpha Airports Group plc, which operated duty free retailing and airline catering in 15 countries. Peter's extensive non-executive experience has included board positions at ASOS, boohoo, Rightmove, Superdry, Cineworld, Mister Spex, GCap Media, Capital Radio, U+i, Sophia Webster and Silverstone.

**i. Executive**

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

**j. The AHF's employees**

Matthew Mckeague – CEO

Oliver Brodrick-Ward – Executive Assistant and Team Administrator

**Finance Team**

Fiona Hollands – Director of Finance

Bryony Demetriou - Finance Officer

**Investment Team**

Asha Karbhari – Director of Investment

Madeleine Blyth – Investment Manager

Andrew Hitches-Davies – Investment Manager

Emily Greenaway – Investment Officer

Leila Bougdah – Investment and Programmes Assistant

## **Programmes Team**

Kelcey Wilson-Lee – Director of Programmes and Deputy CEO

Gavin Richards – Heritage Development Trusts Programme Manager

Laura Williams – Development Manager (England)

Josephine Brown - Programme Officer (South West England)

Louise Stewart – Programme Officer (London and East England )

Mandy Hall – Programme Officer (Midlands)

Annoushka Deighton – Programme Officer (North)

Gordon Barr – Development Manager (Scotland)

Jo Robertson – Support Officer (Scotland)

Adam Hitchings – Development Manager (Wales)

Rita Harkin – Development Manager (Northern Ireland)

Leah O’Neil – Support Officer (Northern Ireland)

Tia Jackson – Communications Officer

Deepa Naik – Evaluation and Data Officer

## **k. Professional Advisers:**

Solicitors:

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

Auditors:

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

Insolvency Advisor:

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

Bankers:

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

Investment Manager

- Rathbone Greenbank Investments, 30 Gresham Street, London, EC2V 7QN

## 9 Benefactors and Friends

The AHF enjoys the support of a steadfast group of major institutional funders, as well as a growing number of like-minded individuals who support our core work as Friends of the AHF. Together, these Benefactors and Friends enable us to work with communities across the UK to safeguard and enliven beloved historic buildings. We are extremely grateful for the support during 2023-24 of the following.

### **Benefactors (£20,000 or more per annum)**

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

### **Friends (£120 or more per annum)**

- Adebayo Alao
- Simon Back
- Andrew Dunbar-Nasmith
- Glenarm Building Preservation Trust
- Michael Hoare
- Roy Hodson
- Fiona Hollands
- Asha Karbhari
- Karen Latimer
- Matthew McKeague
- I Robinson
- Suzanne Snowden
- Les Sole
- P Tomlinson
- Myra Vasdekys
- Nigel Waring
- Kelcey Wilson-Lee

### **Pro bono support**

- Corporate Edge Limited – which contributed £1,404 of pro bono support, in connection with database development work.

### **Statement of Trustees' Responsibilities**

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

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

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

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

In so far as the trustees are aware:

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

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

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

Signed on behalf of the Board:



Ros Kerslake  
Chair

02 October 2024

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

## Opinion

We have audited the financial statements of The Architectural Heritage Fund ('the company' for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 (as amended), Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

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

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

We have nothing to report in this regard.

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

## Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

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

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

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 48, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Our approach was as follows:

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

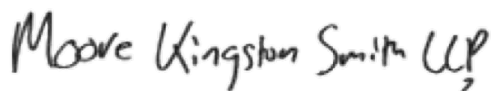
## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ARCHITECTURAL HERITAGE FUND

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

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

### Use of our report

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

A handwritten signature in dark ink that reads "Moore Kingston Smith LLP". The signature is written in a cursive, flowing style.

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

9 Appold Street  
London  
EC2A 2AP

Date 17 October 2024

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

	Note	Endowment fund £	Restricted fund £	Unrestricted fund £	2024 total £	2023 total £
<b>Income from:</b>						
<b>Donations and legacies</b>						
Donations and legacies from individuals and corporations	3	-	-	4,276	4,276	71,666
Government grants	4	-	4,963,408	-	4,963,408	3,088,512
Other grants	5	-	222,500	-	222,500	213,668
		<u>-</u>	<u>5,185,908</u>	<u>4,276</u>	<u>5,190,184</u>	<u>3,373,846</u>
<b>Charitable activities</b>						
		<u>-</u>	<u>-</u>	<u>135,842</u>	<u>135,842</u>	<u>27,854</u>
		<u>-</u>	<u>-</u>	<u>135,842</u>	<u>135,842</u>	<u>27,854</u>
<b>Investments</b>						
Bank Interest/Dividends receivable		-	-	295,098	295,098	144,230
Interest receivable - on loans disbursed		-	-	576,623	576,623	592,999
		<u>-</u>	<u>-</u>	<u>871,721</u>	<u>871,721</u>	<u>737,229</u>
<b>Total income</b>		<u>-</u>	<u>5,185,908</u>	<u>1,011,839</u>	<u>6,197,747</u>	<u>4,138,929</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Generating voluntary income	7	-	-	23,356	23,356	5,820
Investment management - financial	7	-	-	53,641	53,641	34,172
		<u>-</u>	<u>-</u>	<u>76,997</u>	<u>76,997</u>	<u>39,992</u>
<b>Charitable activities</b>						
<b>Loan and grant</b>						
Repayment of loan previously provided for	6	(28,037)	-	-	(28,037)	-
(Decrease)/Increase in the loan bad debt provision	6	(148,637)	6,755	(98,839)	(240,721)	245,054
Other loan-related activities		-	131,937	181,635	313,572	366,098
Grant making		-	4,688,183	224,514	4,912,697	3,155,092
		<u>(176,674)</u>	<u>4,826,875</u>	<u>307,310</u>	<u>4,957,511</u>	<u>3,766,244</u>
<b>Development and advocacy</b>						
Capacity building		-	130,225	272,392	402,617	277,100
Impact reporting, evaluation and communications		-	80,866	99,372	180,238	117,237
Research		-	-	-	-	11,313
Contribution to the Heritage Trust Network		-	-	5,000	5,000	5,000
		<u>-</u>	<u>211,091</u>	<u>376,764</u>	<u>587,855</u>	<u>410,650</u>
<b>Total expenditure on charitable activities</b>		<u>(176,674)</u>	<u>5,037,966</u>	<u>684,074</u>	<u>5,545,366</u>	<u>4,176,894</u>
<b>Total expenditure before gains/losses on investments</b>	7	<u>(176,674)</u>	<u>5,037,966</u>	<u>761,071</u>	<u>5,622,363</u>	<u>4,216,886</u>
<b>Net gains/(losses) on investments</b>	13	8,456	33,828	125,527	167,811	(217,391)
<b>Net income/(expenditure)</b>		<u>185,130</u>	<u>181,770</u>	<u>376,295</u>	<u>743,195</u>	<u>(295,348)</u>
<b>Transfers between funds</b>	20	-	-	-	-	-
<b>Net movement in funds</b>	20	185,130	181,770	376,295	743,195	(295,348)
<b>Reconciliation of funds</b>						
Balances at 1 April 2023		9,359,490	5,796,789	2,169,554	17,325,833	17,621,181
<b>Balances at 31 March 2024</b>	20	<u>9,544,620</u>	<u>5,978,559</u>	<u>2,545,849</u>	<u>18,069,028</u>	<u>17,325,833</u>

All amounts relate to continuing activities.

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

The notes on pages 56 to 69 form part of these financial statements.

**The Architectural Heritage Fund**  
**Balance Sheet as at 31 March 2024**

Page 054

		2024		2023	
		£	£	£	as reclassified £
<b>Fixed assets</b>					
Investments	13		3,144,955		3,093,716
Tangible assets	14		1,869		6,379
Intangible assets	15		34,620		14,400
Programme related investments:					
Loans disbursed for preservation projects	16		9,106,474		9,540,707
<b>Total fixed assets</b>			<u>12,287,918</u>		<u>12,655,202</u>
<b>Current assets</b>					
Debtors:					
Loan interest receivable			367,929		231,295
Government grants receivable			2,673,429		988,585
Other accrued income and prepayments			<u>66,509</u>		<u>73,687</u>
			3,107,867		1,293,567
Current asset investments	13		3,000,000		3,297,410
Cash at bank and in hand			<u>5,000,049</u>		<u>5,256,826</u>
			11,107,916		9,847,803
Creditors: amounts falling due within one year	17		<u>(5,326,806)</u>		<u>(5,172,172)</u>
<b>Net current assets</b>			5,781,110		4,675,631
<b>Provision</b>	18		-		(5,000)
<b>Net assets</b>			<u>18,069,028</u>		<u>17,325,833</u>
<b>Funds</b>	19, 20				
<b>Endowment fund</b>			9,544,620		9,359,490
<b>Restricted fund</b>			5,978,559		5,796,789
<b>Unrestricted funds</b>					
Designated lending fund			1,899,849		1,537,581
General fund			<u>646,000</u>		<u>631,973</u>
			2,545,849		2,169,554
<b>Total funds</b>			<u>18,069,028</u>		<u>17,325,833</u>

The notes on pages 56 to 69 form part of these financial statements.

The financial statements were approved by the Board and authorised for issue on 2nd October 2024, and signed on their behalf by:

Ros Kerslake  
Chair

Date 02 October 2024



Roy Hodson  
Chair of the Audit & Risk Committee

Date 02 October 2024



**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 2024**

Page 055

	Note	2024 £	2023 as reclassified £
<b>Net cash used in operating activities</b>	21	<b>(1,517,400)</b>	<b>(2,598,226)</b>
<b>Cash flows from investing activities:</b>			
Interest from investments		871,721	737,229
Purchases of fixed asset investments	13	(549,360)	(1,436,449)
Proceeds from fixed asset investment disposals	13	529,261	573,473
Purchases of current asset investments		(29,658,714)	(3,289,676)
Proceeds from current asset investment disposals		30,071,852	-
Purchases of fixed assets		-	(2,803)
Purchases of intangible assets		(25,080)	(14,400)
Net investment in long term cash deposits held in the investment portfolio		-	900,000
<b>Net cash provided by investing activities</b>		<b>1,239,680</b>	<b>(2,532,626)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<b>(277,720)</b>	<b>(5,130,852)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>5,348,874</b>	<b>10,479,726</b>
<b>Total cash and cash equivalents at the end of the year</b>		<b>5,071,154</b>	<b>5,348,874</b>
<b>Analysis of cash and cash equivalents</b>			
		<b>2024 £</b>	<b>2023 £</b>
Cash at bank and in hand		5,000,049	5,256,826
Cash held in investment portfolio		71,105	92,048
<b>Total cash and cash equivalents</b>		<b>5,071,154</b>	<b>5,348,874</b>
<b>Analysis of changes in net debt</b>			
	<b>As at 1 April 2023 £</b>	<b>Cash flows £</b>	<b>As at 31 March 2024 £</b>
Cash at bank and in hand	5,256,826	(256,777)	5,000,049
Cash held in investment portfolio	92,048	(20,943)	71,105
<b>Total</b>	<b>5,348,874</b>	<b>(277,720)</b>	<b>5,071,154</b>

The notes on pages 56 to 69 form part of these financial statements.

**1 Company status**

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

**2 Accounting policies**

**Basis of preparation**

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

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

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

**Going concern**

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

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

Despite a slightly more positive macro-economic picture, there are still numerous post-Covid, cost of living and inflation related challenges facing many projects; although these have arguably stabilized as new normal. Close monitoring of lending clients and increased engagement with high risk projects continuing and bad debt provisioning continues to be made where required. Nevertheless, based on these forecasts and the level of reserves available, the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements as they do not consider there to be any material uncertainties about the charity's ability to continue.

**Income**

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

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

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

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

**Loans**

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

## **2 Accounting policies (continued)**

### **Loans (continued)**

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

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

### **Bad debt expense**

Based on the latest detailed portfolio analysis, the total capital bad debt provision required is estimated at 21.5% (2023: 18%) for Heritage Impact Fund loans; the capital bad debt provision for the Charity's Endowment Fund loans is estimated at 6 % (2023: 9%).

Bad debt expense incurred on the capital and interest element of Heritage Impact Fund loans is taken against each charitable fund, consistent with each funds' contribution to this lending fund. Capital bad debt expense incurred on endowment fund loans is taken against the applicable country endowment fund.

Where there is a change in the interest bad debt on endowment loan interest receivable for the year, the impact on the unrestricted fund is limited to 5% of unprovided for loan interest outstanding at the balance sheet date. Any remaining expense is taken against the endowment fund, consistent with each funders' contribution to the fund.

### **Grants**

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

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

### **Expenditure**

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

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

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

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

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

### **Fixed asset investments**

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

## **2 Accounting policies (continued)**

### **Tangible fixed assets**

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

Computer equipment	3 years
--------------------	---------

### **Intangible fixed assets**

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

Database Development	5 years
----------------------	---------

### **Programme related investments**

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

### **Current asset investments**

Current asset investments are financial assets that are expected to be realised within 12 months of the reporting date. These investments primarily include short-term treasury deposits that are held for cash management purposes. Current asset investments are measured at fair value.

### **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.

## **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 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.

Donated goods and services are based on an estimate of the value of the contribution to the Charity as per the accounting policy above. During the year, the Charity received pro bono professional services from Corporate Edge Limited, in connection with some database development. These services were valued at £1,404 and the income is included in £4,276 *Donations and legacies from individuals and corporations* on the SOFA. In the previous year, the Charity received pro bono legal services from Shearman & Sterling (London) LLP in connection with a potential loan facility for the HIF. These services were valued at £69,623 and the income is included in £71,666 *Donations and legacies from individuals and corporations* for the prior year.

### **Critical judgements**

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

#### **(i) Bad debt provision**

The charitable company makes an estimate of the recoverable value of loan debtor balances. When assessing impairment of these, management considers factors including the current credit rating of the debtor, their financial performance, the payment profile, the general economic environment and historical experience. The current economic environment and constrained public funding situation both continue to have an adverse impact on the financial and trading pressures of the heritage and community sector which the Architectural Heritage Fund serves through its loans portfolio. As a result, the effective general capital bad debt provision (excluding restricted activities in relation to the Heritage Impact Fund) has reduced slightly, to 4.1% (2023: 6.0%). We continue to closely monitor the client portfolio, particularly projects facing increased risks. See note 6 for details of the impairment provision made.

**4 Analysis of government grants receivable**

	Endowment	Restricted	2024	2023
	fund	funds	total	total
	£	£	£	£
National Lottery Heritage Fund: Heritage Development Trusts	-	2,681,102	2,681,102	-
Historic England : Transforming Places Through Heritage 2	-	508,000	508,000	-
DCMS : Transforming Places Through Heritage	-	-	-	1,978,010
Historic England: HACO	-	383,745	383,745	33,394
National Lottery Heritage Fund: Replan	-	15,627	15,627	42,158
Historic Environment Scotland	-	464,000	464,000	464,000
Cadw (Welsh Historic Environment service)	-	600,000	600,000	350,000
Cadw: HIF	-	100,000	100,000	-
Dept for Communities Northern Ireland: Village Catalyst	-	130,934	130,934	-
Dept for Communities Northern Ireland	-	30,000	30,000	220,950
West Midlands Combined Authority WMCA	-	50,000	50,000	-
	-	4,963,408	4,963,408	3,088,512

**5 Other grant income**

	Endowment	Restricted	2024	2023
	fund	funds	total	total
	£	£	£	£
William Grant Foundation	-	110,000	110,000	107,000
Garfield Weston	-	50,000	50,000	58,336
The Pilgrim Trust	-	62,500	62,500	48,332
	-	222,500	222,500	213,668

**6 Losses on loans and adjustments to the bad debt provision**

	Endowment	Restricted	Unrestricted	2024
	fund	funds	funds	total
	£	£	£	£
Repayment of loans previously provided for	(28,037)	-	-	(28,037)
	(28,037)	-	-	(28,037)
Increase/(decrease) in the loan bad debt provision:				
Loan capital specific				-
Loan capital general	(149,334)	(301)	(30)	(149,665)
Loan interest specific	576	5,829	576	6,981
Loan interest general	121	1,227	(99,385)	(98,037)
	(148,637)	6,755	(98,839)	(240,721)
	Endowment	Restricted	Unrestricted	2023
	fund	fund	funds	total
	£	£	£	£
Repayment of loans previously provided for	-	-	-	-
Increase/(decrease) in the loan bad debt provision:				
Loan capital specific	(89,481)	500,139	89,758	500,416
Loan capital general	(65,682)	(180,480)	(66,713)	(312,875)
Loan interest specific	6,363	51,643	19,089	77,095
Loan interest general	(1,616)	(13,117)	(4,849)	(19,582)
	(150,416)	358,185	37,285	245,054

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

In 2019/20, detailed portfolio analysis indicated that an 11% general bad debt provision was appropriate (increased from 8.3% in 2018/19) against endowment loan balances outstanding not specifically provided for, reflecting difficult financial and trading conditions due to the impact of the Coronavirus pandemic. In 2021/22 a general bad debt provision of 6.5% was considered appropriate. The latest portfolio analysis indicates that a general bad debt provision of 4.1% (2023: 6.0%) is appropriate against endowment loan balances not specifically provided for in 2023/24.

Loans disbursed and loan interest receivable are stated after provisions for impairment amounting to £1,175,998 (2023: £1,490,25).

**The Architectural Heritage Fund**  
**Notes to the Financial Statements for the year ended 31 March 2024**

Page 061

7 Analysis of total resources expended	Staff costs (Note 10)	Grants (Note 8)	Direct costs	Publication costs	Heritage Trust Network	Support costs			2024 Total	2023 Total
						Premises costs	Depreciation	Other costs		
	£	£	£	£	£	£	£	£	£	£
<b>Resources expended</b>										
Costs of generating funds (unrestricted)	6,690	-	-	-	-	1,171	351	15,144	23,356	39,992
Loan-related activities	237,978	-	25,330	-	-	5,755	1,729	(225,978)	44,814	611,152
Grant making	402,018	4,223,418	194,698	-	-	11,509	3,458	77,596	4,912,697	3,155,092
Capacity building	245,602	-	71,810	-	-	10,071	3,025	72,110	402,617	277,100
Impact reporting, evaluation and communications	122,685	-	5,880	3,570	-	1,439	432	46,232	180,238	117,237
Research	-	-	-	-	-	-	-	-	-	11,313
Net contribution to the Heritage Trust Network	-	-	-	-	5,000	-	-	-	5,000	5,000
Investment management	11,350	-	-	-	-	1,248	375	41,043	53,641	-
<b>2024 total</b>	<b>1,026,323</b>	<b>4,223,418</b>	<b>297,717</b>	<b>3,570</b>	<b>5,000</b>	<b>31,193</b>	<b>9,370</b>	<b>26,147</b>	<b>5,622,363</b>	<b>4,216,886</b>
<b>2023 total</b>	<b>999,042</b>	<b>2,144,155</b>	<b>496,693</b>	<b>4,818</b>	<b>5,000</b>	<b>33,484</b>	<b>3,576</b>	<b>530,118</b>	<b>4,216,886</b>	

Loan-related activities include a net decrease of £240,721 (2023: £245,054 increase) in the provision for bad debts, as detailed in Note 6.

**Other support costs include:**

	2024	2023
	£	£
General office and administration	22,776	21,815
Accommodation, travel & subsistence	41,931	24,795
Regional support initiative	35,256	34,240
Consultancy	18,117	27,078
IT costs	44,392	37,795
Investment management fees (external)	37,957	27,966
Other costs	49,933	93,608
Governance costs	16,506	17,767
	<u>266,868</u>	<u>285,064</u>
(Decrease) / Increase in the provision for bad debts	<u>(240,721)</u>	<u>245,054</u>
	<u>26,147</u>	<u>530,118</u>

Expenditure on charitable activities was £5,545,366 (2023: £4,176,894) of which £(176,674) (2023: £(150,416)) was attributable to endowment funds, £5,037,966 (2023: £3,623,402) to restricted funds and £684,074 (2023: £703,908 ) to unrestricted funds.

**8 Grants**

	Offered £	Withdrawn £	2024 Net charge £	2023 Net charge £
<b>Project grants:</b>				
<b>UK</b>				
<i>Heritage Development Trusts (NLHF)</i>				
Revenue grants	2,340,673	-	2,340,673	-
Project viability	15,000	-	15,000	-
<b>England</b>				
<i>Transforming Places through Heritage 2 (Historic England)</i>				
Project development	500,000	-	500,000	-
<i>Transforming Places through Heritage (DCMS)</i>				
Project viability	61,190	(13,077)	48,113	96,379
Project development	64,481	(138,625)	(74,144)	1,023,042
Crowdfunding challenge	-	(44,213)	(44,213)	44,672
Emergency support grants	-	-	-	(10,277)
<i>Growing Community Enterprise through Heritage (DCMS)</i>				
Project viability	-	-	-	16,362
<i>Historic Assets into Community Ownership (Historic England)</i>				
Project viability	296,774	(80)	296,694	(27)
Project development	-	(1,694)	(1,694)	(6)
<i>Cultural Recovery Fund</i>				
Recovery grants	-	-	-	(49)
<b>Scotland</b>				
<i>Main Scotland (HES)</i>				
Project viability	129,372	(16,681)	112,691	98,163
Project development	225,583	(14,099)	211,484	207,439
<i>William Grant Foundation</i>				
Project viability	56,142	(3,922)	52,220	37,215
Project development	40,000	-	40,000	62,637
<b>Wales</b>				
Project viability	75,230	(11,100)	64,130	46,469
Project development	405,891	-	405,891	137,532
Capital works	80,000	(30,021)	49,979	150,000
<b>Northern Ireland</b>				
Project viability	12,612	-	12,612	12,716
Project development	67,388	-	67,388	25,095
<i>Village Catalyst</i>				
Project viability	40,000	(18,406)	21,594	48,460
Project development	60,000	-	60,000	120,000
<b>West Midland Combined Authority</b>				
Project viability	13,500	-	13,500	-
Project development	31,500	-	31,500	-
Total project grants	4,515,336	(291,918)	4,223,418	2,115,822
<b>Grants to sector partners:</b>				
HTN	-	-	-	28,333
<b>Total</b>	<b>4,515,336</b>	<b>(291,918)</b>	<b>4,223,418</b>	<b>2,144,155</b>

Page 061

Number of grants:		<b>2024</b>	<b>2023</b>
Project viability		85	53
Project development		69	74
Transformational project and capital		-	4
Heritage Development Trust Revenue grants		12	-
Other		3	4
		<u>169</u>	<u>135</u>

Restricted grant making expenditure of £4,688,183 (2023: £2,984,054 ) in the Statement of Financial Activities also includes Support Officer costs and grant related overheads.

<b>9 Net movement in funds</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Net movement in funds is arrived at after charging:		
Auditors' remuneration - current year audit	24,144	22,000
Auditors' remuneration - prior year audit	1,880	1,275
Auditors' remuneration— non-audit services	12,527	8,148
Operating lease charges - land and buildings	26,910	25,010
Operating lease charges- office equipment	1,079	3,184

<b>10 Employees</b>	<b>2024</b>	<b>2023</b>
	<b>number</b>	<b>number</b>
Average monthly number of employees during the year	20	21
The number of employees whose remuneration exceeded £60,000 was:		
£60,000-£69,999	2	1
£70,000-£79,999	1	1
£80,000-£89,999	-	1
£90,000-£99,999	1	-

Key management comprises the trustees, the chief executive and the senior management team. Total key management personnel remuneration was £376,437 (2023: £349,168).

Staff costs comprise:	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Salaries	851,879	822,139
Social security costs	87,515	87,322
Pension contributions	66,657	64,164
Other staff costs	20,272	25,417
	<u>1,026,323</u>	<u>999,042</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 2024 £nil pension contributions were outstanding (2023: £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: Ros Kerslake, Audrey Carlin, Gregory Pickup, Karen Latimer and Esther Robinson-Wild

During the year, 8 Members (2023 - 9) of the Board incurred expenses for travel, accommodation and subsistence amounting to £4,405 (2023: £3,610 ); none received any remuneration from the AHF.

## **12 Commitments**

<b>Loan commitments</b>	<b>2024</b>	<b>2023</b>
The AHF had the following loan commitments at the year end:	<b>£</b>	<b>£</b>
Contracted but not yet fully disbursed	759,179	839,179
Offered but not yet contracted	590,000	2,425,750
<b>Total Commitments</b>	<u>1,349,179</u>	<u>3,264,929</u>

**12 Commitments (continued)**

**Operating leases**

At 31 March 2024 the total of the AHF's future minimum lease payments under non-cancellable operating leases was:

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Amounts payable:		
Amounts due within one year	26,910	28,134
Amounts due between two and five years	16,072	44,546
	<u>42,982</u>	<u>72,680</u>

In the year ended 31 March 2021 the charity entered into a sublease agreement to rent out office space in relation to its lease at 15 Whitehall, London. The lease ended on 18 June 2023 and there were no amounts receivable at 31 March 2024.

**13 Fixed and current asset investments**

**Fixed asset investments**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>Reclassified £</b>
<b>Listed investments</b>		
Market Value at 1 April 2023	3,001,668	2,363,817
Additions	549,360	1,436,449
Disposal proceeds	(529,261)	(573,473)
Unrealised gains/(losses)	55,375	(266,218)
Realised gains/(losses)	(3,292)	41,093
Market Value at 31 March 2024	<u>3,073,850</u>	<u>3,001,668</u>

Historical cost of investments at 31 March 2024	<u>3,090,305</u>	<u>3,060,410</u>
---	------------------	------------------

**Analysis of investments**

Listed equities	2,623,100	2,560,718
UK investment grade bonds	450,750	440,950
	<u>3,073,850</u>	<u>3,001,668</u>

Cash held in the investment portfolio	71,105	92,048
---------------------------------------	--------	--------

<b>Market Value of investments at 31 March 2024</b>	<u>3,144,955</u>	<u>3,093,716</u>
---	------------------	------------------

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Unrealised (losses)/gains on fixed asset investments	55,375	(266,218)
Realised (losses)/gains on fixed asset investments	(3,292)	41,093
Unrealised (losses)/gains on current asset investments	12,284	7,733
Realised (losses)/gains on current asset investments	103,444	-
<b>Net gains/(losses) as per Statement of Financial Activities</b>	<u>167,811</u>	<u>(217,392)</u>

**Significant investment holdings based on market value at 31 March 2024 were:**

	<b>Market Value (£)</b>	<b>Cost (£)</b>
RATHBONE UNIT TRUST MGMT High Quality Bond S Dist	450,750	501,322

**Market risks**

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

**Current asset investments**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>Reclassified £</b>
<b>Analysis of investments</b>		
Treasury bills	3,000,000	3,297,410
	<u>3,000,000</u>	<u>3,297,410</u>

<b>14 Other tangible assets</b>	<b>Computer equipment</b>
	<b>£</b>
<b>Cost</b>	
At April 2023	18,549
Additions	-
Disposals	-
<b>At 31 March 2024</b>	<b>18,549</b>
<b>Depreciation</b>	
At April 2023	12,170
Charge	4,510
Disposals	-
<b>At 31 March 2024</b>	<b>16,680</b>
<b>Net book value</b>	
At April 2023	6,379
<b>At 31 March 2024</b>	<b>1,869</b>

<b>15 Intangible assets</b>	<b>Database</b>
	<b>£</b>
<b>Cost</b>	
At April 2023	14,400
Additions	25,080
Disposals	-
<b>At 31 March 2024</b>	<b>39,480</b>
<b>Amortisation</b>	
At April 2023	-
Charge	4,860
Disposals	-
<b>At 31 March 2024</b>	<b>4,860</b>
<b>Net book value</b>	
At April 2023	14,400
<b>At 31 March 2024</b>	<b>34,620</b>

During the year, database development costs were incurred, to enhance forecasting capabilities and complete the development of a single application interface.

<b>16 Loans disbursed for preservation projects</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Loan capital	10,179,031	10,836,460
Loan capital bad debt provision	(1,072,557)	(1,295,753)
	<b>9,106,474</b>	<b>9,540,707</b>

Programme related investments are stated net of provisions of £1,072,557 (2023: £1,295,753) and include £7,544,808 in loans outstanding which are due for repayment after more than one year (2023: £6,468,760). AHF Endowment loan capital outstanding is £7,199,574 (2023: £7,275,660) against which there is a £431,974 (2023: £654,809) bad debt provision. Heritage Impact Fund loan capital outstanding is £2,979,457 (2023: £3,560,800) against which there is a £640,583 (2023: £640,944) bad debt provision.

<b>17 Creditors</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Outstanding non-refundable grant offers	2,153,963	2,551,087
William Grant Foundation - grant programme deferred income	-	110,000
HDT Grant offers	1,985,673	-
Transformational Project capital grant offers (TPTH)	835,196	2,138,586
Wales and NI capital works grants	176,620	247,195
Trade creditors	45,422	37,616
Tax and social security	37,619	23,048
Accruals	92,313	64,640
	<b>5,326,806</b>	<b>5,172,172</b>
<b>Deferred income</b>		
Deferred income as at 1 April 2023	110,000	63,660
Amount added	-	110,000
Income released in the year	(110,000)	(63,660)
Deferred income as at 31 March 2024	<b>-</b>	<b>110,000</b>

## 18 Provision

	2024 £	2023 £
<b>Provision</b>		
Balance as at 1 April 2023	-	5,000
Balance as at 31 March 2024	-	5,000

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

## 19 Analysis of net assets by fund

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £
<b>Fund balances at 31 March 2024 represented by:</b>				
Fixed assets - programme related investments	7,226,600	1,571,874	308,000	9,106,474
Fixed assets - investments	718,020	1,723,100	703,835	3,144,955
Fixed assets - computer equipment	-	-	1,869	1,869
Fixed assets - database	-	-	34,620	34,620
Current assets	1,600,000	7,835,037	1,672,879	11,107,916
Current liabilities	-	(5,151,452)	(175,354)	(5,326,806)
<b>Total net assets</b>	<b>9,544,620</b>	<b>5,978,559</b>	<b>2,545,849</b>	<b>18,069,028</b>

	Endowment Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds Reclassified 2023 £
<b>Fund balances at 31 March 2023 represented by:</b>				
Fixed assets - programme related investments	7,078,851	2,153,856	308,000	9,540,707
Fixed assets - investments	512,144	2,140,622	440,950	3,093,716
Fixed assets - computer equipment	-	-	6,379	6,379
Fixed assets - database	-	-	14,400	14,400
Current assets	1,768,495	6,549,179	1,530,129	9,847,803
Current liabilities	-	(5,046,868)	(125,304)	(5,172,172)
Provision	-	-	(5,000)	(5,000)
<b>Total net assets</b>	<b>9,359,490</b>	<b>5,796,789</b>	<b>2,169,554</b>	<b>17,325,833</b>

## 20 Analysis of funds

	<b>Unrestricted funds</b>				
	<b>Designated lending fund £</b>	<b>General fund £</b>	<b>Restricted funds £</b>	<b>Endowment fund £</b>	<b>Total £</b>
Balance at 1 April 2023	1,537,581	631,973	5,796,789	9,359,490	17,325,833
<b>Net movement of funds for the year:</b>					
Loan bad debt write-offs, write-backs and provisions	-	98,839	(6,755)	176,674	268,758
Surplus/(deficit) for the year	-	151,929	154,697	-	306,626
Gains/(losses) on investments	-	125,527	33,828	8,456	167,811
Transfers between funds	362,268	(362,268)	-	-	-
Balance at 31 March 2024	<b>1,899,849</b>	<b>646,000</b>	<b>5,978,559</b>	<b>9,544,620</b>	<b>18,069,028</b>

### Transfers between funds

The free reserves are set at a level sufficient to withstand any short-term financial risks, in order to safeguard our operations. Based on this value, £362,268 (2023: £34,737) was transferred from the General fund to the Designated lending fund. There was no transfer to reallocate withdrawn grant offers this year (2023: £33 transferred from the General fund to the Endowment fund).

**20 Analysis of funds (continued)**

**Endowment fund**

Source	Geographical area	2024 £
<i>Restricted for lending in geographical areas</i>		
Historic England		5,230,078
The Department for Digital, Culture, Media & Sport (DCMS)		435,000
	England	5,665,078
Historic Environment Scotland	Scotland	2,872,675
Cadw: Welsh Historic Environment service	Wales	450,593
<i>Not geographically restricted</i>		
UK Government	UK-wide	556,274
		<u>9,544,620</u>

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

	England	Scotland	Wales	UK-wide	Total
	£	£	£	£	£
Balance at 1 April 2023	5,571,821	2,797,489	443,126	547,054	9,359,490
Repayment of loan previously provided for	-	28,037	-	-	28,037
Loan capital bad debt provisions - general	88,920	44,621	7,067	8,726	149,334
Loan interest bad debt provisions - specific	(576)	-	-	-	(576)
Loan interest bad debt provisions - general	(121)	-	-	-	(121)
(Losses)/Gains on investment	5,034	2,527	400	494	8,456
Balance at 31 March 2024	<u>5,665,078</u>	<u>2,872,675</u>	<u>450,593</u>	<u>556,274</u>	<u>9,544,620</u>

**Restricted funds**

	Balance at 1st April 2023 £	Income £	Expenditure £	Gains/(losses) £	Balance at 31st March 2024 £
<b>Grants in support of core initiatives:</b>					
Historic England: Transforming Places Through Heritage 2	-	508,000	(508,000)	-	-
DCMS: Transforming Places Through Heritage	48,577	-	29,400	-	77,977
Historic England: HACO	33,443	383,745	(417,188)	-	-
Historic Environment Scotland	-	464,000	(464,000)	-	-
Cadw: Welsh Historic Environment Service	-	600,000	(600,000)	-	-
Dept for Communities Northern Ireland (NI)	-	30,000	(30,000)	-	-
Dept for Communities NI Village Catalyst	3,990	130,934	(92,474)	-	42,450
Dept for Communities NI: Heritage Impact Fund	871,070	-	(1,269)	-	869,801
Historic England: Heritage Impact Fund	128,479	-	(1,468)	-	127,011
Historic Environment Scotland: Heritage Impact Fund	421,055	-	(572)	-	420,483
Cadw: Heritage Impact Fund	302,614	100,000	(441)	-	402,173
National Lottery Heritage Fund: Heritage Impact Fund	2,062,984	15,627	(18,632)	-	2,059,979
DCMS GCETH	-	-	-	-	-
Garfield Weston	2,260	50,000	(50,000)	-	2,260
The Pilgrim Trust	-	62,500	(50,000)	-	12,500
West Midlands Combined Authority	-	50,000	(50,000)	-	-
National Lottery Heritage Fund - HDT Programme	-	2,681,102	(2,681,102)	-	-
William Grant Foundation - Tailored Support Fund	147	110,000	(102,220)	-	7,927
Reclassified England lending funds	961,085	-	-	16,914	977,999
Reclassified Scotland lending funds	961,085	-	-	16,914	977,999
<b>Restricted funds total</b>	<u>5,796,789</u>	<u>5,185,908</u>	<u>(5,037,966)</u>	<u>33,828</u>	<u>5,978,559</u>

### **Purpose of Restricted Funds**

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

The Heritage Impact Fund restricted fund balances carried forward at 31 March 2024 primarily comprise lending funds. These funds will not be expended through the Statement of Financial Activities other than through movements in the bad debt provision or any future amounts repayable to funders.

Transforming Places through Heritage awarded its first grants in September 2019; the programme ran until March 2023. The programme focused on supporting projects in town centre and high street locations across England, with provision for Project Viability and Development Grants, Crowdfunding Challenge Grants, Transformational Capital Grants and a suite of affiliated activities including a Community Shares equity offering being managed by Cooperatives UK and a Capacity Building Workshop series being led by the Heritage Trust Network and Locality. In 2023-24, Historic England awarded an additional £508,000 to the AHF to support more Project Development Grants for projects within the Transforming Places through Heritage programme. These appear within the account as 'Historic England: Transforming Places through Heritage 2'.

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

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

A new grant fund was launched in Scotland in 2018/19, the 'Tailored Support Fund', thanks to funding from the William Grant Foundation (WGF), which has committed £100,000 in grants per annum since, with overhead support (10% in 23/24).

During 2023/24, the West Midlands Combined Authority partnered with the AHF on a pilot programme to support advice and Project Viability and Project Development Grants to early-stage projects within the WMCA region.

The National Lottery Heritage Fund is supporting a UK-wide expansion programme in support of Heritage Development Trusts (HDTs) during the 2023-26 period. This programme includes revenue grants of up to £70,000 per annum for 12 new HDTs located in each country of the UK, as well as an activity programme, consultancy support, and early-stage grants (Project Viability and Project Development) to support the HDTs in their development over the three-year programme. The programme also supports a Programme Manager, a 0.2 FTE Support Officer, a 0.4 FTE Evaluation and Data Officer, consultancy budget for Communications and Evaluation, and an overhead contribution.

<b>21</b>	<b>Net cash used in operating activities</b>	<b>2024</b>	<b>2023</b>
		<b>£</b>	<b>£</b>
	Net income/(expenditure) for the year	743,195	(295,348)
	<b>Adjustments for:</b>		
	Depreciation and amortisation	9,370	3,574
	Net (gains)/losses on investments	(167,811)	217,391
	Interest and dividends from investments	(871,721)	(737,229)
	(Increase)/decrease in debtors	(1,380,067)	904,637
	Increase/(decrease) in creditors	154,634	(2,691,251)
	(Decrease)/increase in provisions	(5,000)	-
	<b>Net cash used in operating activities</b>	<b>(1,517,400)</b>	<b>(2,598,226)</b>

**22 Prior year reclassification**

During the year, the balance sheet has been restated, and Treasury bills previously shown as Fixed asset investments have been reclassified as Current asset investments, as this classification better reflects the terms of these short term deposits.

There is no change in the prior year financial result as a result of the reclassification, which in financial terms, is set out in the table below.

	<b>2023</b>		<b>2023</b>
	<b>As previously</b>	<b>Prior year</b>	<b>As reclassified</b>
	<b>stated</b>	<b>reclassification</b>	
	£	£	£
<b>Fixed assets</b>			
Fixed asset investments	6,391,126	(3,297,410)	3,093,716
<b>Current assets</b>			
Current asset investments	-	3,297,410	3,297,410
<b>Net current assets</b>	1,378,221	3,297,410	4,675,631

The Architectural Heritage Fund

[ahfund.org.uk](http://ahfund.org.uk)

Tel: 020 7925 0199

Email: [ahf@ahfund.org.uk](mailto:ahf@ahfund.org.uk)

The Architectural Heritage Fund

Company Number: 1150304

Charity Number: 266780

Scottish Charity Number: SC043840

Financial Services Register number: 707421