

Companies
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Co No 1150304

Report and Financial Statements for the Year Ended 31 March 2001



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Report and Financial Statements for the Year Ended 31 March 2001

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REPORT OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT FOR THE YEAR 2000-01

The Architectural Heritage Fund (AHF) is incorporated as a company limited by guarantee (company number 1150304) and is registered as a charity (number 266780). Its registered office is Clareville House, 26-27 Oxendon Street, London SW1Y 4EL.

OBJECTS

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 particular beauty or historical, architectural or constructional interest anywhere in the United Kingdom;
 - to protect and conserve or promote the protection and conservation of the character and heritage of the places in which such buildings are situated;
- and
- to educate the public in the need for heritage conservation and to encourage high standards in the contemporary environment.

OPERATION AND POLICY

The AHF promotes the permanent preservation of historic buildings in the United Kingdom by providing financial assistance, advice and information to building preservation trusts (BPTs) and other charities and by disseminating information about the work of BPTs to statutory and non-statutory bodies, non-government organisations and the public at large. BPTs - charities established to preserve historic buildings for the benefit of the nation - operate within defined geographical areas, usually a specific town or county.

The AHF seeks to achieve its objects by making short-term loans at a fixed and concessionary rate to enable BPTs and other charities to acquire and repair buildings which merit preservation. The AHF can make grants to BPTs for initial feasibility studies and for administrative costs, including the cost of employing a project organiser. Refundable grants towards the cost of specific professional work to develop a project and to provide additional working capital are also available,

As well as providing financial assistance, the AHF is a principal source of advice and information to and about BPTs. It maintains a register of "revolving fund" BPTs (charities constituted to acquire, repair and dispose of properties deemed worthy of preservation and to apply the proceeds of one project to the working capital required for the next). This enables the AHF, local authorities and others to identify the number and location of charities established with the aim of undertaking a programme of preservation projects. BPTs on the register at 1 April 1995 are exempt from the provisions of Part V of the Local Government and Housing Act 1989. AHF advice and financial assistance, however, is equally available to "single project" BPTs - charities established to preserve a single historic building or site.

MANAGEMENT

The governing body of the AHF is the Council of Management, whose members have legal responsibility as directors of the AHF as a company and as trustees of the AHF as a charity. The Council of Management is responsible for every aspect of the AHF's business and for overseeing its day to day management. Half of the members of the Council of Management are appointed by the Crown (since July 1997, by the Secretary of State for Culture, Media and Sport), and half by the AHF itself. Council members serve for terms of five years, renewable. Every member of Council of Management is also a member of the AHF as a company. The AHF has no other members.

The Council of Management normally meets five times a year. The Finance and General Purposes Committee comprises the Chairman or Deputy Chairman and any two other members of the Council of Management. Responsibility is delegated to the Committee to make some loan and grant offers and to deal with other matters between Council meetings, either by meeting or by post. An Audit Committee, composed of up to four Council members, considers and reports to the Council of Management on aspects of financial control and performance.

The members of the Council of Management during the year ended 31 March 2001 were:

- *Mr David Adams#
- +Mr Colin Amery
- *Mr Nicholas Baring# (*Deputy Chairman from 1 April 2001*)
- +Mr William Cadell
- +Mr Robert Clow
- *Mr Malcolm Crowder
- *Sir John James (*Chairman*) (*retired 31 March 2001*)
- *Mrs Fionnuala Jay-O'Boyle (*appointed 1 April 2000*)
- +Mr John Pavitt
- +Mrs Jane Sharman# (*Deputy Chairman; Chairman from 1 April 2001*)
- +Mr Merlin Waterson
- *Dr Roger Wools

+Appointed by the Secretary of State for Culture, Media and Sport.

*Appointed by the AHF.

#Member of the Audit Committee.

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

Interests of Members of the Council of Management

Some members of the Council of Management 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 disclose the interest at the meeting at which the application is considered or the business is discussed and take no part in the Council of Management's decision.

SECRETARIAT

The AHF's employees on 31 March 2001 were:

Jonathan Thompson	<i>Secretary/Director</i>
Stephen Enthoven	<i>Director of Projects</i>
Barbara Wright	<i>Loans Administrator and Finance Manager</i>
Maria Perks	<i>Projects Development Manager</i>
Diane Kendal	<i>Personal Assistant and Office Manager</i>
Anna Mumford	<i>Systems Administrator and Finance Officer</i>

ADVISERS

The AHF's professional advisers in the year ended 31 March 2001 were:

<i>Solicitors:</i>	Berwin Leighton Paisner Bouverie House, 154 Fleet Street, London EC4A 2DQ
	Burness Solicitors, 242 West George Street, Glasgow G2 4QY
<i>Auditors:</i>	BDO Stoy Hayward, 8 Baker Street, London W1U 3LL
<i>Bankers:</i>	National Westminster Bank plc, Westminster Branch, PO Box 3038, 57 Victoria Street, London SW1H 0HN

Accounts were also held with the Bank of Scotland, CafCash Ltd, COIF Charities Deposit Fund and Woolwich plc.

IMPLEMENTATION OF POLICY

As a lender of last resort, the AHF is prepared to take reasonable financial risks if the historic and/or architectural merit of a particular scheme is considered sufficient to warrant this.

The extent to which the AHF is able to implement its policies is largely determined by the size of its endowment fund and annual income. The endowment fund, a capital fund that cannot be spent and is devoted to the provision of loans, is composed of government grants and private sector donations made since 1976. Annual income is derived from interest on loans and bank deposits, government grants for particular programmes and sundry other sources.

Most money not on loan is kept on deposit, on the best terms consistent with financial prudence and ready accessibility.

PROGRAMME SUPPORT AND OTHER ACTIVITIES

BUILDING PRESERVATION TRUSTS

AHF Register

There are currently 172 organisations on the AHF's Register of revolving fund BPTs, compared with 168 in 2000.

United Kingdom Association of Building Preservation Trusts (APT)

In 1989 the AHF helped found the United Kingdom Association of Building Preservation Trusts (APT), with which it enjoys active co-operation and to which it provides financial and practical support. The AHF continued its financial and practical support for APT throughout the year under review.

Publications

An illustrated Annual Review remains the AHF's principal publication. Other current publications are *How to Rescue a Ruin - by setting up a local Buildings Preservation Trust* (revised edition 1997), *The Architectural Heritage Fund - The First Twenty Years* (1996), *Funds for Historic Buildings in England and Wales - A Directory of Sources* (first edition May 1998; updated annually).

The AHF has also published - with the Institute of Historic Buildings Conservation, SAVE Britain's Heritage and the UK Association of Building Preservation Trusts - *Catalytic Conversion - REVIVE Historic Buildings for Re-use* (November 1998). In 1999, it joined forces with members of the Joint Committee of the National Amenity Societies and eleven other non-governmental organisations to commission a survey on the impact of VAT on repairs and alterations to listed properties. The report, entitled *VAT and the Built Heritage*, was published in October 1999 both in printed form and on the Internet (at www.vatbuiltheritage.org.uk). The AHF's website is www.ahfund.org.uk.

Regeneration Through Heritage

In 1997, the Heritage Lottery Fund (HLF) offered the AHF grants of up to £400,000 for Regeneration Through Heritage (RTH). This initiative, then led by the charity Business in the Community, helps local communities find appropriate and viable solutions for re-using historic former industrial buildings. By 31 March 2000, the HLF had disbursed a total of £333,249.

During 2000-01 a further tranche of £20,000 was disbursed. The AHF remits each grant in its entirety to Regeneration Through Heritage immediately upon receipt.

ACTIVITY DURING THE YEAR

NON-REFUNDABLE GRANTS

Feasibility Study Grants

The AHF can offer BPTs grants of up to 75% towards the cost of an initial options appraisal for an eligible project. The study should take a first look at the key conservation issues affecting the building and examine all options and consider in outline the viability of the most beneficial option. The maximum grant is normally £5,000.

During the year the AHF made 28 feasibility study grant offers amounting to £136,370. The AHF disbursed £86,928 for 21 feasibility studies and thirty-four offers worth £155,084 were carried forward to 2001-02.

Project Administration Grants

Once the feasibility study has identified the best option for a building and it has been resolved to take the project forward, the BPT is eligible for a grant of £4,000 towards its own non-professional costs in developing the scheme.

The AHF offered ten project administration grants during the year and disbursed instalments in respect of these and previous grants amounting to £19,000. Instalments amounting to £33,000 were carried forward to 2001-02.

Project Organiser Grants

This new scheme enables a BPT to pay for the time of a suitable person to develop and co-ordinate a project and take it towards completion. The Project Organiser may be someone appointed for a fee from outside or could be a temporary or permanent employee of the BPT. The grant, which must relate to one specific project, will usually be spread over more than one year and normally be up to a maximum of £15,000.

The AHF offered twenty-five project organiser grants during the year amounting to £309,670 and disbursed instalments amounting to £32,934. The undisbursed balance of £276,736 was carried forward to 2001-02.

REFUNDABLE GRANTS

Refundable Project Development Grants

The AHF's scheme of refundable project development grants enables BPTs to commission specific pieces of professional work to develop a project to the point at which it meets the application requirements of the AHF and other funding bodies. If a loan is subsequently contracted for the project, the grant disbursed will be regarded as the first instalment and be repayable, together with interest at 4%, when the loan is repaid.

During 2000-01 the AHF offered 15 refundable project development grants amounting to £198,150 and disbursed £86,710 in respect of eleven projects. Offers amounting to £237,057 were carried forward to 2001-02.

Activity during the year:

Grants offered	£198,150 (15)
Offers carried forward	£237,057 (14)

Grants disbursed	£ 86,710 (11)
Grants converted to loans or	
Refunded	£(50,400) (4)
Net grants disbursed	£ 36,310

Refundable Working Capital Grants

Where a project can be fully funded but there is insufficient security to cover the AHF's contribution to the working capital requirement, it may at its discretion offer a refundable working capital grant in addition to a loan. Such a grant must be repaid, with interest, before the loan security is released.

The AHF offered three refundable working capital grants during 2000-01 amounting to £202,000.

LOANS

Low-interest loans are available for working capital for projects undertaken by BPTs and other charities. The recipient must normally have, or acquire, title to the historic building to be repaired. The AHF requires security for every loan, either in the form of a formal repayment guarantee or a first charge over any property to which a free and marketable title can be offered. Loans are normally subject to a ceiling of £500,000 and the usual loan period is two years. The AHF charges interest at 4% simple, payable at the end of the loan period.

During 2000-01 the AHF contracted 21 new loans with a value of £3,038,500. Thirteen loans with a contract value of £1,826,538 were fully repaid. This brought the cumulative value of loans contracted to £33,592,331 in respect of 408 projects and of loans repaid to £26,343,231 for 357 projects. The contract value of 51 loans outstanding at 31 March 2001 was £7,249,100.

Activity during the year:		Contract values
Loans contracted at 1 April 2000	43	£6,335,600
New loans contracted	21	£3,038,500
Loans repaid in full	13	£(1,826,538)
Contract value reduced		£(298,462)
Loans contracted at 31 March 2001	51	£7,249,100

Cash of £3,270,000 was advanced in respect of the 21 new loans and five loans contracted prior to 1 April 2000. The actual amount repaid during the year amounted to £1,864,838.

In 2000-01 the AHF offered 29 new and 8 supplementary loans amounting to £5,227,900. During the year, nineteen loan offers were withdrawn or reduced and the AHF ended the financial year with offers amounting to £5,508,750 in respect of 30 projects.

Loan commitments at 31 March 2001 were as follows:

Value of contracted loans	51	£7,249,100
Less part repayments		£(200,300)
Loan offers	30	£5,508,750
Overall commitments	81	£12,557,550

REVIEW OF THE FINANCIAL POSITION

Reserves Policy

The Council of Management considers it prudent for the AHF to maintain reserves to safeguard the future of the charity in the event of any reduction in government grants and private sector donations and to enable the AHF to meet the demand for loans and grants, which is likely to continue to grow. It has reviewed its reserves policy, taking into account operating requirements and lending strategy, and concluded that the level of free reserves at the year-end was appropriate to the needs of the AHF. The policy applied to each of the separate funds is described below.

Endowment Fund

There were no endowment fund grants received during 2000-01 and the balance therefore remained at £9,820,197 on 31 March 2001.

Restricted Funds

Restricted funds represent grants sought and received towards the cost of specific charitable programmes. During the year the AHF received £199,000 in restricted income, including £20,000 on behalf of Regeneration Through Heritage. At 31 March 2001 £120,880 remained unspent and was carried forward into 2001-02.

Other Funds For Charitable Purposes

The Council of Management has set aside the designated funds described below.

Designated Lending Fund

The purpose of the designated lending fund is to increase the total amount available for loans and for expenditure arising in connection with loans. The designated lending fund stood at £2,000,770 on 31 March 2001. The Council of Management decided not to make any transfers to this fund during the year.

Designated Projects Fund

The purpose of the designated projects fund is to supplement annual income available for expenditure on grants and other forms of assistance to BPTs; to provide a reserve for future commitments arising from grants not disbursed during the year within which they are offered; and to provide for other expenditure at the discretion of the Council of Management. The Council of Management considers the designated projects fund at the end of each year with a view to transferring from the general fund a proportion of any net incoming resources, provided the total amount held in the designated projects fund does not exceed 25% of unrestricted funds at the end of that year. The Council of Management decided that £115,000 should be transferred to this fund. The balance of the designated project fund on 31 March 2001 was £865,000, 25% of unrestricted funds.

General Fund

The general fund comprises funds that do not fall into any other classification. The Council of Management set up this fund on 31 March 1996 with a balance equivalent to approximately 5% of the endowment fund. Transfers are made from net incoming resources each year so as to retain an adequate balance in the general fund, subject to a minimum equivalent to one quarter of the AHF's budgeted annual expenditure. At 31 March 2001, the general fund amounted to £539,568.

Incoming Resources

Total incoming resources in the year ended 31 March 2001 amounted to £944,147. This included £199,000 in restricted income (of which £20,000 was the Heritage Lottery Fund's grant for Regeneration Through Heritage) and £745,147 in unrestricted income.

Resources Used

Resources used during the year amounted to £668,083. Of this, direct charitable expenditure – on loan-related activities, grants, programme support (which includes non-financial assistance to BPTs and publications), the overheads which attach to these and the AHF's contribution to the Association of Preservation Trusts – amounted to £550,588. Other expenditure – on fundraising and publicity and on management and administration – amounted to £117,495.

Net Movement in Funds

The AHF's total funds increased by £276,064 during the year, comprising £120,880 in unspent restricted funds (Programme grant fund) and a net excess of incoming resources over resources used of £155,184 on unrestricted funds. Total funds at 31 March 2001 were £13,346,415 of which £11,820,967 is available as Revolving Capital.

Fixed Assets

The net value of tangible fixed assets decreased from £29,870 to £22,696.

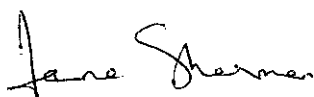
Cash at Bank and In Hand

Cash at bank and in hand decreased from £7,230,268 to £6,203,157 during the year.

EVENTS SINCE THE BALANCE SHEET DATE

There have been no events since the end of the year that materially affect the AHF's position.

Signed on behalf of the Members of the Council of Management by

A handwritten signature in black ink, appearing to read 'Jane Sharman', written in a cursive style.

Mrs Jane Sharman
Chairman

13 September 2001

THE ARCHITECTURAL HERITAGE FUND

Responsibilities of Members of the Council of Management

Company law requires the Council of Management 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 its income and expenditure for that period. In preparing those financial statements, the Council of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the AHF will continue in business.

The Council of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the AHF, and for ensuring that the financial statements comply with the Companies Act 1985. It is 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.

THE ARCHITECTURAL HERITAGE FUND**Report of the independent auditors**

To the members of The Architectural Heritage Fund

We have audited the financial statements on pages 12 to 22 which have been prepared in accordance with the accounting policies set out on page 15.

Respective responsibilities of the Council Members and auditors

The Council Members' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Council Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Members of the Council of Management is not consistent with the financial statements, if the The Architectural Heritage Fund has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council Members' remuneration and transactions with The Architectural Heritage Fund is not disclosed.

We read the Report of the Members of the Council of Management and consider the implications for our report if we become aware of any apparent misstatements within it.

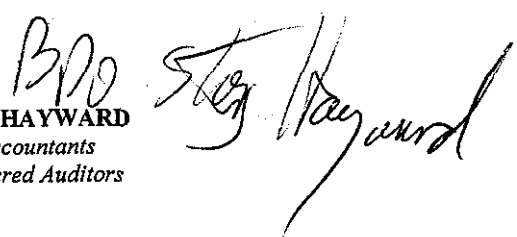
Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council Members in the preparation of the financial statements, and of whether the accounting policies are appropriate to The Architectural Heritage Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of The Architectural Heritage Fund at 31 March 2001 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

13 September 2001

THE ARCHITECTURAL HERITAGE FUND

Statement of Financial Activities for the year ended 31 March 2001

Income and expenditure	Note	Endowment fund £	Restricted funds £	Unrestricted funds £	2001 Total £	2000 Total £
Incoming resources						
Government grants						
Endowment fund	2	-	-	-	-	350,000
Special grants	3	-	179,000	-	179,000	55,000
Heritage Lottery Fund (Regeneration Through Heritage/Business in the Community)	3	-	20,000	-	20,000	107,373
Donations		-	-	2,052	2,052	5,294
Legacies		-	-	39,300	39,300	-
Interest receivable	4	-	-	682,475	682,475	622,185
Refund from Association of Preservation Trusts		-	-	15,065	15,065	10,477
Other income	5	-	-	6,255	6,255	10,571
Total incoming resources		-	199,000	745,147	944,147	1,160,900
Resources used						
Direct charitable expenditure						
Loan-related activities						
Staff, legal and other costs		-	-	112,656	112,656	89,057
Increase in bad debt provision		-	-	-	-	80,019
Programme support activities	7	-	-	154,596	154,596	138,323
Project development grants		-	-	56,489	56,489	134,213
Feasibility study grants		-	12,512	90,680	103,192	74,191
Project administration grants		-	9,480	11,628	21,108	31,672
Project organiser grants		-	36,128	13,672	49,800	-
Contribution to Association of Preservation Trusts	6	-	-	32,747	32,747	25,476
Business in the Community (for Regeneration Through Heritage)		-	20,000	-	20,000	107,373
Total direct charitable expenditure	6	-	78,120	472,468	550,588	680,324
Other expenditure						
Fund raising and publicity		-	-	39,599	39,599	26,014
Management and administration		-	-	77,896	77,896	69,884
Total other expenditure	6	-	-	117,495	117,495	95,898
Total resources used	6	-	78,120	589,963	668,083	776,222
Net movement in funds	8	-	120,880	155,184	276,064	384,678
Balances at 1 April 2000	21	9,820,197	-	3,250,154	13,070,351	12,685,673
Balances at 31 March 2001	21	9,820,197	120,880	3,405,338	13,346,415	13,070,351

All amounts relate to continuing activities. No activities have been discontinued. All recognised gains and losses are included in the Statement of Financial Activities.

The net income for the year on the historical cost basis is £276,064 (2000 - £384,678).

The notes on pages 15 to 22 form part of these financial statements.

THE ARCHITECTURAL HERITAGE FUND

Balance Sheet as at 31 March 2001

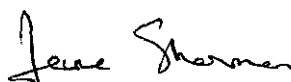
	Note	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets	13		22,696		29,870
Current assets					
Debtors					
Loans disbursed for preservation projects	14	6,691,803		5,286,641	
Other debtors	15	457,859		555,247	
Cash					
Cash at bank	19	221,244		939,288	
Short-term deposits	19	5,981,913		6,290,980	
		13,352,819		13,072,156	
Creditors: amounts falling due within one year	16	29,100		31,675	
Net current assets			13,323,719		13,040,481
Net assets			13,346,415		13,070,351
Funds					
Endowment fund	21	9,820,197		9,820,197	
Designated lending fund	21	2,000,770		2,000,770	
Revolving capital		11,820,967		11,820,967	
Restricted funds					
Designated projects fund	21	120,880		-	
General fund	21	865,000		750,000	
		539,568		499,384	
Accumulated resources			13,346,415		13,070,351

The designated lending fund, designated projects fund and general fund are unrestricted funds.

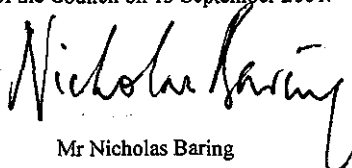
At the year end, the AHF had commitments of £6,694,624 in respect of loans contracted but not yet disbursed and loan and grant offers (2000 - £6,320,973); see note 17.

Debtors include £2,741,200 in loans disbursed which are receivable after more than one year (2000 - £1,650,703).

The financial statements were approved by the Members of the Council on 13 September 2001.



Mrs Jane Sharman
Chairman



Mr Nicholas Baring
Deputy Chairman

The notes on pages 15 to 22 form part of these financial statements

THE ARCHITECTURAL HERITAGE FUND

Cash flow statement for the year ended 31 March 2001

	2001		2000	
	£	£	£	£
Net cash (outflow)/inflow from operating activities (see note 18)		(1,019,995)		983,951
Capital expenditure and financial investment				
Purchase of fixed assets	(8,508)		(640)	
Proceeds from disposal of fixed assets	1,392		-	
		(7,116)		(640)
Management of liquid resources		(1,027,111)		983,311
Movement in short term deposits (see note 19)		309,067		(3,958,700)
Decrease in cash (see note below)		(718,044)		(2,975,389)

Note

Reconciliation of net cashflow to
movement in net funds

	£
Decrease in cash in the period (see note 19)	(718,044)
Cash invested from the increase in liquid resources	(309,067)
Change in net funds	(1,027,111)
Net funds at 1 April 2000	7,230,268
Net funds at 31 March 2001 (see note 19)	6,203,157

The notes on pages 15 to 22 form part of these financial statements.

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and, unless otherwise stated, are in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities" (SORP) issued by the Charity Commission in October 1995. The following accounting policies have been applied:

Grants and donations to the AHF

These are included in the Statement of Financial Activities when receivable.

Interest on loans

The Architectural Heritage Fund makes loans in furtherance of its objects. The terms of repayment and the rate of interest are laid down by the Council of Management and embodied in a legal agreement. The financial statements include interest accrued on the outstanding loans during the year.

Grants made by the AHF

These are included in the Statement of Financial Activities when payable.

Depreciation

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

Fixtures and fittings	-	shorter of 7 years and remaining period of lease
Office equipment	-	5 years
Computer equipment	-	3 years

Investments

Gains or losses on investments, whether realised or not, are disclosed in the Statement of Financial Activities in the year in which they arise.

Pensions

Pension contributions are charged to the Statement of Financial Activities in the year in which they become payable (see Note 10).

Definitions

Endowment Fund

Grants and donations received constituting a capital fund, which can only be used for the purpose of lending to preservation projects.

Designated Lending Fund

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

Revolving Capital

Total resources for lending and for loan-related expenditure, namely the sum represented by the endowment fund and the designated lending fund.

Restricted Funds

Grants sought and received towards the cost of specific charitable programmes.

Designated Projects Fund

Resources allocated by the Council of Management from the AHF's unrestricted funds to be used as necessary to supplement annual income required for grants made by the AHF, non-financial programmes of assistance to building preservation trusts and other items of direct charitable expenditure at the discretion of the Council of Management.

General Fund

Income generated by the endowment fund, designated lending fund and designated projects fund goes into the general fund and is treated as general income available without restriction to meet annual expenditure.

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001 (continued)

2 Grants to enlarge endowment fund	2001	2000
	£	£
English Heritage	-	350,000
	<u>-</u>	<u>350,000</u>
3 Special grants	2001	2000
	£	£
Department for Culture, Media and Sport grants towards:		
Development programme	-	30,000
Feasibility study grants programme	-	25,000
	<u>-</u>	<u>55,000</u>
English Heritage towards:		
Non-refundable grant programmes in England	159,000	-
National Assembly for Wales		
Non-refundable grant programmes in Wales	20,000	-
The Heritage Lottery Fund towards:		
<i>Regeneration Through Heritage</i> , an initiative led by Business in the Community	20,000	107,373
	<u>199,000</u>	<u>162,373</u>
These grants are geographically restricted and are also restricted to the specific programmes for which each was offered. £94,415 was spent during the year and the balance of £104,585 was carried forward into future periods. (2000 - all grants were fully spent in the year.)		
4 Interest receivable	2001	2000
	£	£
On loans disbursed for preservation projects	266,859	264,978
On bank deposits	415,616	357,207
	<u>682,475</u>	<u>622,185</u>
5 Other Income	2001	2000
	£	£
Recovery of AHF expenditure on VAT and the Built Heritage	-	2,958
Publication sales	6,081	6,724
Sundry income	174	889
	<u>6,255</u>	<u>10,571</u>

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001 (continued)

6 Analysis of total resources used	Direct costs	Premises and overheads	Staff costs	2001 Total	2000 Total
	£	£	£	£	£
Direct charitable expenditure					
Loan-related activities					
Staff, legal and other costs	40,373	17,463	54,820	112,656	89,057
Increase in bad debt provision	-	-	-	-	80,019
Programme support activities (see note 7)	56,412	23,720	74,464	154,596	138,323
Project development grants	36,310	4,875	15,304	56,489	134,213
Feasibility study grants	86,928	3,929	12,335	103,192	74,191
Project administration grants	19,000	509	1,599	21,108	31,672
Project organiser grants	32,934	4,075	12,791	49,800	-
Contribution to Association of Preservation Trusts	-	8,455	24,292	32,747	23,476
Business in the Community (for Regeneration Through Heritage)	20,000	-	-	20,000	107,373
	<u>291,957</u>	<u>63,026</u>	<u>195,605</u>	<u>550,588</u>	<u>680,324</u>
Other expenditure					
Fundraising and publicity	9,481	7,276	22,842	39,599	26,014
Management and administration	27,902	10,915	39,079	77,896	69,884
	<u>37,383</u>	<u>18,191</u>	<u>61,921</u>	<u>117,495</u>	<u>95,898</u>
Total resources used	<u>329,340</u>	<u>81,217</u>	<u>257,526</u>	<u>668,083</u>	<u>776,222</u>

Premises and staff costs and overheads have been apportioned over the activities shown under direct charitable expenditure and other expenditure. The apportionment is made by reference to the time spent by staff.

The principal fundraising and publicity activity is the production and distribution of the annual report. Part of the cost of the annual report also falls under programme support activities and part under management and administration.

Expenditure on management and administration comprises those costs inherent in running the organisation as a charity and as a company such as Council meetings, accounting and legal costs and related employment, premises and administrative costs.

The AHF assisted in the foundation of the United Kingdom Association of Building Preservation Trusts (APT) and provides it with financial and practical support. The amount shown above represents money spent by the AHF on APT's behalf. During the year, APT reimbursed the AHF £15,065 in respect of this expenditure (2000 - £10,477).

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001 (continued)

7 Programme support activities

	2001	2000
	£	£
Printing and distribution of publications	35,876	28,035
Photography and design	1,692	943
Professional fees	-	3,575
Contribution to <i>VAT and the Built Heritage</i>	2,377	11,063
Conferences and events	2,391	6,523
Travel and subsistence	14,076	16,881
	<u>56,412</u>	<u>67,020</u>
Premises and overheads (apportioned - see note 6)	23,720	16,484
Staff costs (apportioned - see note 6)	74,464	54,819
	<u>154,596</u>	<u>138,323</u>

8 Net movement in funds

	2001	2000
	£	£
The net movement in funds is arrived at after charging:		
Depreciation	14,290	17,722
Auditors' remuneration		
Audit fee	5,992	5,922
Payroll services	973	1,078
Other services	2,949	-
Operating leases - land and buildings	18,000	18,000
	<u>14,290</u>	<u>17,722</u>

9 Employees

	2001	2000
	number	number
The average monthly number of employees during the year was:	<u>6</u>	<u>6</u>

One employee received total taxable emoluments of between £40,001 to £50,000 (2000 - one)

Staff costs include:

	2001	2000
	£	£
Salaries	201,298	188,379
Social security costs	19,814	19,430
Pension contributions	11,953	17,285
	<u>233,065</u>	<u>225,094</u>

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001 (continued)

10 Pensions

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.

11 Members of the Council of Management

No Member of the Council of Management received any remuneration from the AHF in this or the previous year. There were no loans between Council Members and the AHF in this or the previous year.

Some of the Members of the Council of Management are also directors or trustees of, or consultants to, organisations that receive financial assistance from the AHF or with which the AHF has an arm's length business relationship. In those circumstances, the Member discloses his or her interest at the meeting at which the application is considered and takes no part in the Council of Management's decision on the application. Any financial assistance is made in the ordinary course of the AHF's activities. The following Members of the Council of Management are involved with organisations which have received financial assistance from the AHF during the year: Mr Robert Clow, Mr Malcolm Crowder, Mrs Fionnuala Jay-O'Boyle and Mrs Jane Sharman.

During the year, nine Members of the Council of Management were reimbursed expenses for travel and subsistence amounting to £4,296 (2000 - eight members were reimbursed £3,043).

The AHF arranged trustees' indemnity insurance cover at a cost of £1,732 (2000 - £1,343).

12 Taxation

No charge to taxation arises on the net income for the financial year.

13 Tangible assets

	Fixtures & fittings £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 2000	32,746	41,949	28,570	103,265
Additions	-	268	8,240	8,508
Disposals	-	-	(6,160)	(6,160)
At 31 March 2001	32,746	42,217	30,650	105,613
Depreciation				
At 1 April 2000	13,491	36,322	23,582	73,395
Disposals	-	-	(4,768)	(4,768)
Charge for the year	4,815	5,504	3,971	14,290
At 31 March 2001	18,306	41,826	22,785	82,917
Net book value				
At 31 March 2001	14,440	391	7,865	22,696
At 1 April 2000	19,255	5,627	4,988	29,870

The fixed assets are used mainly for direct charitable activities.

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001 (continued)

14 Loans disbursed for preservation projects	Total	Bad debt provision	Net
	£	£	£
At 1 April 2000	5,361,641	(75,000)	5,286,641
Loans advanced during the year	3,270,000	-	3,270,000
Loans repaid during the year	(1,864,838)	-	(1,864,838)
At 31 March 2001	<u>6,766,803</u>	<u>(75,000)</u>	<u>6,691,803</u>

£2,741,200 of loans disbursed fall due for repayment after more than one year (2000 - £1,650,703).

15 Other debtors	2001	2000
	£	£
Accrued interest receivable	433,204	307,549
Prepayments	16,387	15,451
Other debtors	8,268	8,747
Advances to the AHF's solicitors for loans not yet contracted	-	223,500
	<u>457,859</u>	<u>555,247</u>

16 Creditors: amounts falling due within one year	2001	2000
	£	£
Accruals	<u>29,100</u>	<u>31,675</u>

17 Commitments	2001	2000
	£	£
The AHF had the following commitments at the year end:		
Loans:		
Contracted but not yet fully disbursed	281,997	811,959
Advanced to the AHF's solicitors for loans not yet contracted - see Note 15	-	223,500
Offered	<u>5,508,750</u>	<u>5,031,500</u>
	<u>5,790,747</u>	<u>6,066,959</u>
Refundable grants:		
Project development grants offered	237,057	128,317
Working capital grants offered	202,000	-
Non-refundable grants:		
Feasibility study grants offered	155,084	113,697
Project administration grants offered	33,000	12,000
Project organiser grants offered	276,736	-
	<u>6,694,624</u>	<u>6,320,973</u>

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001 (continued)

	2001 £	2000 £	
18 Reconciliation of net incoming resources to net cash (outflow) / inflow from operating activities			
Net incoming resources	276,064	384,678	
Adjustment for (decrease) / increase in bad debt provision	-	50,000	
Adjustment for depreciation	14,290	17,722	
	<u>290,354</u>	<u>452,400</u>	
Loans advanced during the year	(3,270,000)	(1,918,440)	
Loans repaid during the year	1,864,838	2,544,423	
Decrease/ (increase) in debtors	97,388	(94,755)	
(Decrease) / increase in creditors	(2,575)	323	
	<u>(1,019,995)</u>	<u>983,951</u>	
Net cash (outflow) / inflow from operating activities			
19 Analysis of changes in net funds			
	At 1 April 2000 £	Cash flow £	At 31 March 2001 £
Cash at bank	939,288	(718,044)	221,244
Short-term deposits	6,290,980	(309,067)	5,981,913
Net funds	<u>7,230,268</u>	<u>(1,027,111)</u>	<u>6,203,157</u>

20 Commitments under operating leases

The AHF leases its offices on a lease expiring in December 2005 at an annual rent of £18,000.

THE ARCHITECTURAL HERITAGE FUND

Notes forming part of the financial statements for the year ended 31 March 2001 (continued)

21 Accumulated resources

	Endowment fund £	Designated lending fund £	Designated projects fund £	General fund £	Programme grant funds £	Total £
Balance at 1 April 2000	9,820,197	2,000,770	750,000	499,384	-	13,070,351
Income	-	-	-	-	120,880	120,880
Transfer of surplus	-	-	115,000	40,184	-	155,184
Balance at 31 March 2001	9,820,197	2,000,770	865,000	539,568	120,880	13,346,415

The transfers between funds during the year were made within the policy framework described in the Report of the Members of the Council of Management (page 7) and reflect the Council of Management's opinion of the reserves required by the AHF in the short-term (page 6).

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

Endowment fund

The balance at 31 March 2001 of £9,820,197 includes the following funds which have been reserved for lending within the geographical areas shown:

	Geographical areas	2001 £	2000 £
English Heritage	England	5,300,000	5,300,000
The Secretary of State for Scotland	Scotland	2,250,000	2,250,000
The Secretary of State for Wales	Wales	360,000	360,000
		7,910,000	7,910,000

Four Acres Charitable Trust	
Steeple Phase, Former Dowanhill Church, 93-97 Hyndland Street, Glasgow	150,000*
Glasgow Building Preservation Trust	
Kirkhaven, 176 Duke Street, Glasgow	280,000
The Gunsgreen House Trust	
Gunsgreen House, Eyemouth, Berwickshire	45,000
Hartpury Historic Buildings Trust	
Old Chapel, Hartpury Court, Hartpury, Gloucestershire	50,000
Highland Buildings Preservation Trust	
Forss Mill, by Thurso, Caithness, Highlands	245,000*
Ironbridge Gorge Museum Trust Ltd	
The Blunging House and North Range, Jackfield Tile Museum, Salthouse Road, Jackfield, Shropshire	200,000
Heritage Trust of Lincolnshire Ltd	
St John's Workhouse, Skirbeck Road, Boston, Lincolnshire	56,000
Lowestoft Civic Society	
Old School House, Wilde Score, off High Street, Lowestoft, Suffolk	66,200
Mansfield Traquair Trust	
Mansfield Place Church, East London Street, Edinburgh	500,000
Mid Essex Historic Buildings Trust	
Artisan's Cottage, rear of 90-94 High Street, Maldon, Essex	16,000*
The Museum of Empire & Commonwealth Trust	
Bristol Old Station, Temple Meads, Bristol	220,000
The North Brixton Trust	
110 Brixton Road, London SW9	75,000
Royal Leamington Spa Building Conservation Trust	
4 & 6 Clemens Street, Leamington Spa, Warwickshire	110,000
St Vincent Crescent Preservation Trust	
Brown's Institute, 72 Main Street, Newmilns, Ayrshire	40,000
Sedbergh and District Buildings Preservation Trust	
Farfield Mills, Farfield, Sedbergh, Cumbria	200,000*
Suffolk Building Preservation Trust	
Pakenham Water Mill Farmhouse, Mill Road, Grimstone End, Pakenham, Bury St Edmunds, Suffolk	210,000
University of Hull Maritime History Trust	
Blaydes House, 6 High Street, Kingston upon Hull	100,000
Total loans disbursed	£3,270,000

* denotes loans which include a refundable project development grant

REFUNDABLE GRANTS DISBURSED**A. Refundable Project Development Grants**

<u>Trust and project</u>	<u>Grant disbursed</u> £
Four Acres Charitable Trust	
Former Dowanhill Parish Church, 93 Hyndland Street, Glasgow	15,000*
Highland Buildings Preservation Trust	
Forss Mill, by Thurso, Caithness, Highland	15,000*
58-59 High Street, Ardersier, Inverness-shire	14,855
Former Procurator Fiscal's Office, 1 Tower Street, Tain, Ross-shire	10,005
Llandudno Seaside Buildings Preservation Trust	
St George's National School, Church Walks, Llandudno	1,050
Heritage of London Trust Operations Ltd	
The Locomotive Water Point, Goods Way, St Pancras, London	10,440
North Norfolk Historic Buildings Trust Ltd	
Paston Great Barn, Bacton Road, Paston, Norfolk	560
Scottish Historic Buildings Trust	
339-343 High Street, Kirkcaldy, Fife	2,000
Southampton and Solent Building Preservation Trust Co Ltd	
Church of England Mortuary Chapel, Southampton Old Cemetery	2,500
Strathclyde Building Preservation Trust	
Westgate Co-operative Building, 23-35 Main Street, Newmilns	11,775
Wychavon Building Preservation Trust Ltd	
31 Cowl Street, Evesham, Worcestershire	3,525
Total refundable project development grants disbursed	£86,710
*Converted to first instalment of loan	(30,000)
Grant disbursed in previous year converted to first instalment of loan	(400)
Grant refunded	(20,000)
Total after converted and refunded grants	£36,310

LOANS DISBURSED

<u>Trust and project</u>	<u>Loan disbursed during 2000-01</u> £
The Alexander Greek Thomson Trust	
St Vincent Street Church, 261 St Vincent Street, Glasgow	140,000
Bath Historical Buildings Trust	
Lodges 1, 3 & 4 Cleveland Bridge, Bath	33,700*
Buildings at Risk Trust	
36 Snow Hill, Wolverhampton	24,400
Bungay Arts and Theatre Society	
The Fisher Theatre, 10 Broad Street, Bungay, Suffolk	70,000
Chester Historic Buildings Preservation Trust Ltd	
Ince Manor, Marsh Lane, Ince, Cheshire	14,000
The Cockburn Conservation Trust	
The Granary and St Ninian's Manse, Quayside Mills, Quayside Street, Leith, Edinburgh	40,000
Cornwall Buildings Preservation Trust	
20 Lower Bore Street, Bodmin, Cornwall	20,000
Exeter Historic Buildings Trust	
21 The Mint, Exeter	20,500
Fife Historic Buildings Trust	
22-50 Main Street, West Wemyss, Fife	344,200*

B. Project Administration Grants

<u>Trust and project</u>	<u>Grant disbursed</u> £
Ancoats Buildings Preservation Trust	
Ancoats Urban Village Project, Ancoats, Manchester	1,000
Cyfeillion Cadw Tremadog	
St Mary's Church, Tremadog, Gwynedd	1,000
Llandudno Seaside Buildings Preservation Trust	
St George's National School, Church Walks, Llandudno	2,000
Mid Essex Historic Buildings Trust	
Artisan's Cottage, rear of 90-94 High Street, Maldon, Essex	1,000
The Monastery of St Francis and Gorton Trust Ltd	
The Church and Monastery of St Francis, Gorton Lane, Manchester	1,000
The New Mechanics' Institution Preservation Trust	
New Mechanics' Institution Building, Swindon	2,000
Rame Conservation Trust	
Maker Heights Centre, Torpoint, Cornwall	1,000
Royal Leamington Spa Building Conservation Trust	
4 & 6 Clemens Street, Leamington Spa, Warwickshire	1,000
Sedbergh and District Buildings Preservation Trust	
Farfield Mill, Farfield, Sedbergh, Cumbria	1,000
Southampton and Solent Building Preservation Trust Co Ltd	
Church of England Mortuary Chapel, Southampton Old Cemetery	3,000
Southend and District Building Preservation Trust Ltd	
71 East Street, Prittlewell, Southend-on-Sea	2,000
Worthing Dome & Regeneration Trust	
The Dome, 22 Marine Parade, Worthing, West Sussex	3,000
Total grants disbursed	£19,000

C. Project Organiser Grants

<u>Trust and project</u>	<u>Grant disbursed</u> £
Cockburn Conservation Trust	
Blackburn House, Livingston, West Lothian	1,130
Llandudno Seaside Buildings Preservation Trust	
St George's National School, Church Walks, Llandudno	8,098
Heritage of London Trust Operations Ltd	
The Locomotive Water Point, Goods Way, St Pancras, London	1,500
North Norfolk Historic Buildings Trust Ltd	
Paston Great Barn, Bacton Road, Paston, Norfolk	1,200
Rame Conservation Trust	
Maker Heights Centre, Torpoint, Cornwall	8,333
Royal Leamington Spa Building Conservation Trust	
4 & 6 Clemens Street, Leamington Spa, Warwickshire	738
Sedbergh and District Buildings Preservation Trust	
Farfield Mill, Farfield, Sedbergh, Cumbria	6,060
Southampton and Solent Building Preservation Trust Co Ltd	
Church of England Mortuary Chapel, Southampton Old Cemetery	1,755
Tayside Building Preservation Trust	
Gardyne's Land, 70-76 High Street, Dundee	800
Worthing Dome & Regeneration Trust	
The Dome, 22 Marine Parade, Worthing, West Sussex	3,320
Total grants disbursed	£32,934

NON-REFUNDABLE GRANTS DISBURSED**A. Feasibility Study Grants**

<u>Trust and project</u>	<u>Grant disbursed</u>
	£
Ancoats Buildings Preservation Trust	
4-10 Portugal Street, Ancoats, Manchester	4,500
Belfast Buildings Preservation Trust	
Throne Hospital, Whitewell Road, Belfast	3,832
Bristol Buildings Preservation Trust	
Clifton Pool, Oakfield Place, Clifton, Bristol	4,645
Environment Trust for Richmond upon Thames	
United Reformed Church, Little Green, Richmond, Surrey	5,000
The Fetternear Trust Ltd	
The Old Ruins, Fetternear House, Kemnay, Aberdeenshire	6,330
Hendref Building Preservation Trust	
Forgehammer Site, Blaenavon	7,440
Highland Buildings Preservation Trust	
Golspie TA Drill Hall, Old Bank Street, Golspie, Sutherland	5,000
The Old Sail Loft and Commercial Hotel, North Beach Quay, Stornoway	5,013
Ipswich Building Preservation Trust	
Trinity Lodge, 78 Back Hamlet, Ipswich, Suffolk	1,855
Leicestershire Historic Buildings Trust Ltd	
146-152 Highcross Street and 1 & 4 All Saints Open, Leicester	1,642
Heritage Trust of Lincolnshire Ltd	
Model Farm Buildings, Manor Farm, Kirmond Le Mire, Lincolnshire	4,347
Heritage of London Trust Operations Ltd	
Red Barracks and Cambridge Barracks Gatehouses, Greenwich, London	1,983
122-124 Hoxton Street, Hackney, London	3,525
Manchester Historic Buildings Trust	
Mrs Gaskell's House, 84 Plymouth Grove, Manchester	5,000
North Norfolk Historic Buildings Trust	
Torpedo Attack Trainer, Langham Airfield, Norfolk	2,247
St Vincent Crescent Preservation Trust	
24-30 High Street and 4-6 King Street, Newmilns	5,044
73-77 Main Street, Newmilns	4,234
The SAVE Trust	
Castle House, Queen Street, Bridgwater, Somerset	3,406
Sion Mills Buildings Preservation Trust	
Sion Mills, Mill Avenue, Sion Mills, Strabane, Co Tyrone	7,500
Southampton and Solent Building Preservation Trust Co Ltd	
Church of England Mortuary Chapel, Southampton Old Cemetery	3,065
Uist Building Preservation Trust	
Lee View, Lochmaddy, North Uist	1,320
Total grants disbursed	£86,928