

THE VICTORIAN SOCIETY

Annual Report and
Financial Statements
Year Ended 31 December 2001

LEGAL AND ADMINISTRATIVE INFORMATION

THE VICTORIAN SOCIETY

(founded 1958)

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Patron

HRH The Duke of Gloucester KG, GCVO

President

Lord Briggs of Lewes

TRUSTEES

Officers

Professor Chris Brooks (Chair to 3 November 2001)

Dr Geoff Brandwood (Chair from 3 November 2001)

Marion Giles (Vice chair)

Teresa Sladen (Vice chair until 3 November 2001)

Alan Johnson (Hon Architect)

Andrew Coleman (Hon Financial Advisor)

David Jefferson (Hon Legal Advisor to 11 April 2001)

Jeremy Black (Hon Legal Advisor from 11 April 2001)

Chairs of Regional Groups

Birmingham Barbara Shackley

East Midlands Hilary Silvester

Great Eastern Michael Pearson

Leicester Jon Goodall

Liverpool Graham Fisher

Manchester Sue Dawson

North-East Dolly Potter

Southampton Scott Anderson

South Wales Kim Thompson

South Yorkshire Valerie Bayliss

Wessex Quentin Alder

West Yorkshire Peter Hirschmann

Elected Members

Anne Anderson

Samantha Barber

Jeremy Black

Robin Bluhm

Geoff Brandwood

Chris Brooks (until 23 February 2002)

David Wynford Evans

Richard Evans

Mike Higginbottom (until 26 January 2001)

Rosemary Hill

Stephen Howard

Peter Howell

Randal Keynes

Robert Thorne

Sarah Whittingham

Roy Williams

STAFF

Director Ian Dungavell

Senior Architectural Adviser Richard Holder

Northern Architectural Adviser David Crellin (from 8 January 2001)

Churches Officer Hannah Padley (from 1 January 2001)

Administrator Richard Seedhouse

Activities Manager Rebecca Daniels

Activities Assistant Pam Gray

Bankers

Barclays, Hammersmith Business Centre Group, London W6 9HY
COIF Charities Funds, 2 Fore Street, London EC2Y 5AQ

Auditors

Derek Rothera & Company, 339/40 Upper Street, London N1 0PD

Registered Charity Number

1081435

Company Registration Number

3940996

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ANNUAL REVIEW

From the Chairman

The year 2001 marked the centenary of the death of Queen Victoria, and it was a very eventful one for the Victorian Society. We marked the occasion with wreath-laying ceremonies around the country, events which generated considerable interest in the local press.

Now that more people than ever realise the value of our Victorian heritage, and take a strong interest in it, the Victorian Society finds increasingly more to do. Our major activity is conservation, trying to prevent damaging alterations to buildings or, in the worst case, their demolition.

We have been very involved in fighting for a unusually-complete area of mill housing in Nelson, Lancashire, which has been slated for comprehensive redevelopment by the local council, but is much loved by its residents. Similarly our campaign for the Royal Pier Hotel in Clevedon, Somerset, has so far kept together a nationally-important ensemble of pier, toll-house and hotel.

But our conservation role also very often involves advising on how changes may be accommodated without damaging the historic importance of a building. Our caseworkers spend many hours on site visits negotiating with developers and considering alternative approaches. It is time-consuming, but very fruitful.

On a sad note, I am sorry to record the early death of my predecessor Chris Brooks, who died in February 2002. He made an enormous contribution to the Society, and will be sorely missed.

Dr Geoff Brandwood, Chairman

Conservation

Commenting on applications for listed building consent kept our caseworkers and regional groups very busy in 2001. We received 5963 notifications from local planning authorities and our churches officer recorded 980 notifications of proposals for works to buildings in religious use. Of these 1414 related to Victorian or Edwardian buildings, and we gave detailed responses to 876.

In addition to the formal process, many members of the public contacted us about buildings under threat near them. We press for buildings of listable quality to be spot-listed, but lack of resources prevents us from taking up many other cases. Instead, we provide advice and support to residents mounting their own campaigns.

The challenges facing historic buildings do not disappear, whether it be conversion to a beneficial new use, or the alterations required for disabled access. Sometimes the greatest threat is a failure to understand what is important about a building in terms of history, design or associations. We play a crucial role in advising how the past may be shaped for the future.

The government's review of the planning system heralded in the recent green paper spells changes ahead for the Victorian Society. One thing is certain: we will increasingly be dealing with planning applications electronically. By 2005 local authorities will have all plans and application documents on their websites, and many already do. At the centre will be the 'Planning Portal' — a government website with information on planning applications and appeals as well as advice and guidance.

But there is some uncertainty about whether the national amenity societies will remain as statutory consultees for listed building consent. The green paper suggests that we may well do, and we expect that the Government will recognise the fundamental role of the voluntary sector as the best means of ensuring community participation.

At present we are the only formal consultees for the vast majority of listed building consent applications: those which deal with Grade II listed buildings. English Heritage concentrate on Grade I and II* listed buildings, and usually see Grade II buildings only when the works are for total demolition, the removal of a principal external wall or the demolition of a substantial part of the interior. So responsibility for the protection of a vast swathe of English and Welsh listed buildings lies with us!

In December the government published *The Historic Environment: A Force for our Future*, its response to *Power of Place* and we were pleased to note the launch of a major new grant scheme to aid the cost of repairs and maintenance to listed buildings used as places of worship. It is intended to bridge the two year gap leading up to the 2003 review of the European Commission's 6th VAT Directive, when the Chancellor of the Exchequer will be pressing for a lowered rate of VAT (5%) for repairs and maintenance to listed buildings which are used as places of worship. But this is only a first step, and we firmly believe that the lowered rate of VAT should be extended to all listed buildings.

Education

The Victorian Society seeks to develop public knowledge and understanding of Victorian and Edwardian architecture and related arts through its educational programme, which includes walks, visits, lectures, conferences and publications.

Visits

Some of the highlights of our programme of visits include a visit to houses such as Minterne in Dorset, Westonbirt, Glos, and Osborne House. We visited a variety of buildings including Portsmouth Dockyard, Wormwood Scrubs Prison, Dulwich College and numerous churches. Foreign trips included one to Nice organised by the Manchester group, and another to Darmstadt, Lille and Antwerp.

Our annual Summer School ran again under the leadership of David Crellin and Liz Robinson, but from 2002 onwards it will be organised by the Victorian Society in America, which has always recruited most of the students and supplied most of the scholarship funds.

Lectures, conferences and study days

Our winter lecture series was on the *Victorian Country House*, organised by Michael Hall and Hermione Hobhouse, and the autumn lecture series on *The Power and the Glory*, organised by Geoff Brandwood, reconsidered the nineteenth-century monarchy from George IV to the death of Queen Victoria.

We held a number of study days which considered topics as diverse as Victorian furniture, interiors and collectors (in memory of Clive Wainwright), Victorian popular culture, the Victorian underworld, and a conference to coincide with the 'Victorian Vision' exhibition at the Victoria and Albert Museum. A ground-breaking day on architectural writers of the nineteenth century, organised by Dr Alexandrina Buchanan, brought together an international group of speakers to reconsider a topic still dominated by Nikolaus Pevsner's famous book.

In association with the Institution of Civil Engineers Archives Panel and the History Study Group of the Institution of Structural Engineers, we organised a major conference bringing together speakers from Europe and the United States to re-examine the history and significance of the Crystal Palace in commemoration of its 150th anniversary.

Publications

In July we relaunched the *Victorian* with an issue on the influence of the Crystal Palace. It met with great approval from members who appreciated the cleaner look and the tighter focus. In November its theme was Manchester, to mark the publication of the new Pevsner volume.

Our website continues to grow in popularity, up from 31,000 hits in January 2001 to 67,000 hits in January 2002. In 2002 we will add a number of fact sheets about caring for Victorian Houses to complement the recorded information soon to be available on our telephone system, both part of an educational project funded by the Jonathon Vickers Trust. This will culminate in September with the *Victorian Society book of the Victorian house* by Kit Wedd.

The Mary Heath Trustees discussed various projects and made a grant towards the Birmingham Pevsner.

Supporters

Volunteers continue to be central to the work of the Society. They contribute their expertise by assessing applications for listed building consent in our two buildings subcommittees, they organise our educational programme and as trustees they oversee the strategic direction and day-to-day operation of the Society. Our committee members alone contribute well over 900 hours of advice a year.

As well as our trustees, officers and committee members, many contribute much more to the Society than just their annual subscription. Bernard Harrison and Jane Wainwright are making excellent progress sorting and cataloguing our library, for example, while another team including Jean Fryer, Mary Prance and Elizabeth Stamp are weeding and sorting our casework archive. This work, and that of those organising activities for us, comes to many more hundred hours a year.

Many members generously give us additional donations during the year (in 2001 we received £3,409), and sign Gift Aid declarations to maximize the value of their donations and membership subscriptions. We hope to be left legacies, too: in 2001 we received the first instalment of a legacy worth about £65,000 from the Reverend Mr Schofield, as well as another £3,000 from Colin Forster.

And still we maintain our loyal base of over 3,200 members who support us by happily paying annual subscriptions in support of our conservation and educational work. Thank you!

REPORT OF THE MAIN COMMITTEE

Introduction

The trustees, who are also the directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 December 2001.

Corporate structure

The Victorian Society is a registered charity and a company limited by guarantee. It is governed by a memorandum and articles of association that were adopted when the company was incorporated on 6 March 2000. The company was dormant until 1 January 2001. With effect from that date the company took over the activities, assets and liabilities of the unincorporated charity of the same name.

Objects

The objects of the Victorian Society are:

- to awaken public interest in, and appreciation of, the best of Victorian and Edwardian arts, architecture, crafts and design;
- to encourage the study of these and of related social history and to afford advice to owners and public authorities in regard to the preservation and repair of Victorian and Edwardian buildings and the uses to which they can, if necessary, be adapted;
- to save from needless destruction or disfigurement Victorian and Edwardian buildings or groups of buildings of special architectural merit.

In addition to these aims, the Society has a legal role by virtue of the Secretary of State for the Environment's Direction in paragraph 15(1) of DETR Circular 01/2001 that the Society (like all National Amenity Societies) must be notified of all applications for Listed Building Consent that involve an element of demolition. The Local Planning Authorities in determining the applications must take any response that the Society makes into account. The Society also has a formal role in the various listed building control procedures set up by those Christian denominations which have chosen to retain their exemption from normal listed building regulations.

Governance

Trustees of the Society comprise the honorary officers, the chair or secretary of each regional group and up to 15 other members of the Main Committee. The honorary officers comprise the Chair (elected by the Main Committee for a term of 3 years), two Vice Chairs, the Honorary Financial Adviser, and the Honorary Legal Adviser (all of whom are elected by the Main Committee annually). At every annual general meeting, one quarter of the number of members of the Main Committee (excluding the honorary officers) retire in order of seniority of service since their last election to the Committee but are eligible for re-election. Election to the Main Committee is by vote of members of the Society at the annual general meeting. Membership of the Society is open to anyone who supports the Society's aims. The Main Committee meets at least four times a year.

Certain of the functions of the Main Committee are delegated to subcommittees that report formally to the Main Committee at each of its meetings. In particular the management of the Society is delegated to the Management Subcommittee, which meets approximately monthly. Day to day management of the Society is delegated to the Director who attends Management Subcommittee meetings.

Review of developments, activities and achievements

The Annual Review of the Society is set out on pages 5 to 6.

Financial review

The Society adopted the provisions of the revised Statement of Recommended Accounting Practice 'Accounting and Reporting by Charities' published in October 2000 and these accounts are presented in compliance with that Statement. As explained in the section above on corporate structure, the company was dormant until 1 January 2001. Accordingly there are no comparative figures for the previous financial year. In order to provide a basis for comparison, the results, assets and liabilities of the predecessor organisation (the

Victorian Society, an unincorporated body) are presented as pro-forma comparatives, after adjusting the layout to comply with the Statement.

Income and expenditure

Total income for the year amounted to £295,136, in comparison with £382,555 for last year. Excluding legacy income, other one-off factors and the income from Linley Sambourne House, closed in 2000, total income amounted to £272,082, an increase of 8.7% over the previous year on a comparable basis. The increase is due to higher income from educational events and publications and interest income. Most of the increase was in restricted funds and not available to meet the general running costs of the Society.

Total costs for the year amounted to £256,338, in comparison with £284,571 for the previous year. Excluding one-off factors and the costs of Linley Sambourne House, expenditure amounted to £251,997, a decrease of 4.0% over the previous year on a comparable basis. This reduction was in line with the Society's plans for 2001 to reduce expenditure slightly. The extent of the reduction is masked somewhat as a result of the inclusion of project expenditure (met by the very generous grant from the Jonathan Vickers estate) which is included in education costs this year.

The net movement of funds for the year is a surplus of £29,726 in comparison with a surplus of £94,605 for last year. Excluding legacy income and other one-off factors, the surplus amounts to £20,085 in comparison with a deficit of £11,382 for 2000. This reflects the increases in income and the reductions in the level of expenditure explained above, but it should be borne in mind that nearly half of this surplus was on the Mary Heath fund, whose use is restricted.

All in all, this was a satisfactory result but the Society's plans continue to be constrained by its lack of additional sources of income. The legacy income received was most welcome and will be spent on projects that would otherwise be unaffordable. The Society greatly appreciates the thoughtfulness of those who remember the Society in their wills and members who are making or revising their wills are encouraged to consider leaving a legacy to the Society.

Balance sheet

The Society's balance sheet comprises endowment, restricted and unrestricted funds. The endowment and the restricted funds are invested so as to fulfil the undertakings the Society took on in receiving those funds. The endowment funds are invested in a balanced managed fund of equities, bonds and properties which should not only generate an inflation-proofed income but should over time also generate capital growth. The restricted funds are invested in cash deposits pending determination of whether this investment policy should be revised in the light of the future plans for the funds. For the last couple of years, cash has proved to be a better investment vehicle than the stock market. Unrestricted funds finance the Society's general operations including the majority of its fixed assets and its stock and debtors (less creditors). Any surplus funds are invested in cash deposits pending their expenditure.

The Society's total assets during the year increased by 5.5%. This reflects a 20.6% increase in unrestricted funds, largely due to the receipt of legacy income. Restricted funds were broadly flat reflecting the net income received on the Mary Heath fund outweighing the net expenditure from the Jonathan Vickers fund. The endowment fund fell by 14% as a result of a fall in the value of the underlying investments. This fall is less than the fall in the benchmark index, and although disappointing, the Society believes that the value of the fund will rise as the stock market recovers.

For the Society to function successfully, it must maintain an adequate level of unrestricted reserves that can be used to finance its day to day operations. The trustees are satisfied with the Society's present position and further details can be found in Note 12 to these accounts.

Risk management

The major risks to which the charity is exposed, as identified by the trustees, have been reviewed during the year and the trustees are satisfied that systems have been established to mitigate those risks.

Trustees' responsibilities in relation to the financial statements

Legal regulations require the trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities for the year and of its financial position at the end of the year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution proposing that Derek Rothera & Company be re-appointed as auditors will be put to the annual general meeting.

The Main Committee approved this report on 27 April 2002.

Dr Geoff Brandwood
Chair

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2001	Total Proforma 2000
INCOMING RESOURCES						
<i>Voluntary income:</i>						
Subscriptions		67,906	-	-	67,906	66,170
Donations		3,409	-	-	3,409	34,819
Grants		-	45,406	-	45,406	45,919
Legacies	2	23,054	-	-	23,054	89,339
<i>Income from operating activities</i>						
Educational events and publications		123,427	95	-	123,522	106,374
Linley Sambourne House		-	-	-	-	15,141
Other income		3,288	-	-	3,288	-
<i>Investment income</i>						
Rental income		9,000	-	-	9,000	9,000
Investment income		-	-	1,965	1,965	2,076
Interest		3,712	13,874	-	17,586	13,717
Total incoming resources		233,796	59,375	1,965	295,136	382,555
EXPENDED RESOURCES						
<i>Cost of generating funds</i>						
Fundraising costs		6,571	-	-	6,571	14,872
<i>Cost of charitable activities</i>						
Education		138,265	12,790	-	151,055	146,984
Architectural conservation		46,002	45,406	-	91,408	88,944
Linley Sambourne House		-	-	-	-	15,189
Management and administration		7,285	19	-	7,304	18,582
Total resources expended	3	198,123	58,215	-	256,338	284,571
Net incoming/outgoing resources before transfer		35,673	1,160	1,965	38,798	97,984
Transfers	11	1,965	-	(1,965)	-	-
Unrealised gains/(losses)		-	-	(9,072)	(9,072)	(3,379)
Net movement of funds		37,638	1,160	(9,072)	29,726	94,605
Balance brought forward at 1 January		182,043	290,305	66,115	537,463	442,858
Balance carried forward at 31 December		£219,681	£291,465	£56,043	£567,189	£537,463

BALANCE SHEET AT 31 DECEMBER 2001

The Accounting Policies and the Notes on pages 12–17 form part of these Financial statements

	Notes	2001	2000 Proforma
FIXED ASSETS			
Tangible assets	5	115,724	110,776
Investments	6	56,043	65,115
		<u>171,767</u>	<u>175,891</u>
CURRENT ASSETS			
Stock of publications		5,816	8,369
Debtors	7	9,292	11,215
Short term deposits		370,408	323,831
Cash in bank and in hand		51,779	41,912
		<u>437,295</u>	<u>385,327</u>
CREDITORS			
Amounts falling due within one year:	8	<u>33,368</u>	<u>17,325</u>
NET CURRENT ASSETS		403,927	368,002
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>575,694</u>	<u>543,893</u>
CREDITORS			
Amounts falling due after one year	9	8,505	6,430
NET ASSETS		<u>£567,189</u>	<u>£537,463</u>
Represented by:			
FUNDS			
Unrestricted		219,681	182,043
Restricted	10	291,465	290,305
Endowment	11	56,043	65,115
TOTAL FUNDS		<u>£567,189</u>	<u>£537,463</u>

_____ Geoff Brandwood (Chairman)

_____ Andrew Coleman (Hon. Financial Adviser)

on behalf of the Main Committee

Date: 27 April 2002

**THE VICTORIAN SOCIETY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001**

1. Accounting Policies

(a) Basis of preparation

These financial statements have been drawn up under the historical cost convention, as modified by the revaluation of investments to market value, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in October 2000 and applicable accounting standards. The charity has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

The company was incorporated on 6 March 2000 and was dormant until 1 January 2001 when it assumed the assets, liabilities and activities of the Victorian Society, an unincorporated body, as part of a reorganisation in which no financial consideration was paid. The transaction has effectively been regarded as a merger for accounting purposes. Accordingly no adjustment has been made to the historic carrying value of the assets, liabilities and funds assumed.

The company had no transactions in 2000 and, consequently no comparative financial information. To provide a basis of comparison for the activities of the current year, the results and assets and liabilities of the unincorporated body, the Victorian Society, are presented on a pro-forma basis.

(b) Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

(c) Fund accounting

The Society has three sorts of funds, unrestricted, restricted and endowment. The unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors. Endowment funds are intended to be used primarily to generate income. Details of the restricted and endowment funds are set out in the notes to the financial statements below.

(c) Recognition of Income

Donations, legacies and other forms of voluntary income are dealt with when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Legacies and gifts of property, furniture and reference books are recorded at their value at the date of receipt. The surplus from sales of literature and advertising is dealt with on an accruals basis. Subscriptions are due on 1 March each year. Subscriptions are recognised as received, and those received after 1 November are treated as covering a period of up to 16 months. Life subscriptions are treated as covering a period of 20 years. The element of subscriptions received relating to future periods is carried forward. Income from events is recognised when the event takes place. No amounts are included in the financial statements for services donated by volunteers.

(d) Recognition of Expenditure

Expenditure is recognised on an accruals basis. Expenditure on future events is deferred until the event takes place.

(e) Depreciation

No depreciation is provided on freehold premises since this would be immaterial having regard both to the length of the useful economic life of the premises and their estimated residual value. Depreciation is provided on office equipment at 20% on cost. Depreciation is provided on fixtures and fittings on the reducing balance basis at a rate of 25% of written down value on items acquired prior to 1999. For additions in 1999 and

thereafter, depreciation is provided at the rate of 20% on cost. No depreciation is provided on antique furniture that is primarily decorative and is not subject to wear and tear.

(f) Allocation of Expenditure

Expenses have been allocated as between direct charitable expenditure, fund-raising and publicity, and management and administration on the basis of expenditure incurred, pro-rated where appropriate, using the proportions of staff time engaged in these functions.

(g) Assets

Fixed assets are stated at cost less depreciation. Donated assets of no functional benefit to the Society are not capitalised because it is not possible to attribute a meaningful value to them. Such assets are held for their lifetime and disposal would only take place in exceptional circumstances. Investments are stated at market value. Stock of publications is stated at the lower of cost and realisable value. Debtors are stated at the amount expected to be recoverable.

2. Income from legacies

Legacy income in 2000 included a gain of £80,000 on the sale of a property left as a legacy to the Society.

In addition to the legacy income recognised in the financial statements, the Society has been advised that it is entitled to property amounting to £52,000.

3. Total resources expended

	Staff costs	Other direct costs	Other allocated costs	Total 2001	Total 2000 Proforma
Fund raising costs	3,630	-	2,941	6,571	14,872
Education costs	28,469	109,620	12,966	151,055	88,944
Architectural conservation costs	71,255	7,187	12,966	91,408	146,984
Linley Sambourne House	-	-	-	-	15,189
Management and administration	1,409	4,755	1,140	7,304	18,582
	<u>104,763</u>	<u>121,562</u>	<u>30,013</u>	<u>256,338</u>	<u>284,571</u>

Costs include:

	2001	2000 Proforma
Auditor's remuneration		
-Audit fee	2,115	2,086
-Accountancy fee for payroll services	851	757
Depreciation	5,596	4,185
Staff costs comprise:		
Wages and salaries	91,075	91,956
Social security costs	9,002	9,053
Pension costs	4,685	4,578

The average number of staff employed during the year, calculated on a full time equivalent basis, was 5 (2000: 5). No staff members received remuneration in excess of £50,000.

The Society makes pension contributions to employees' personal pension schemes or to a stakeholder pension scheme. All of the schemes are defined contribution and the Society has no liability for the payment of pensions in the future.

4. Transactions with Trustees

Ten members of the Main Committee (2000: 14) received reimbursement of their travelling expenses totalling £1,334 (2000: £2,357) in relation to their role on the Committee or on Subcommittees. Two (2000: 4) Mary Heath trustees received similar reimbursement amounting to £19 (2000: £72).

The Society sold surplus books and other publications to a member of the Main Committee for a consideration of £100, being an amount at least equivalent to their estimated market value.

5. Tangible Fixed Assets

	Freehold premises	Office equipment	Furniture & fittings	Total
	£	£	£	£
Cost:				
As at 1 January 2001	92,496	37,306	27,791	157,593
Additions	-	10,544	-	10,544
	-----	-----	-----	-----
As at 31 December 2001	92,496	47,850	27,791	168,137
	-----	-----	-----	-----
Depreciation:				
As at 1 January 2001	-	28,783	18,034	46,817
Charge for year	-	4,859	737	5,596
	-----	-----	-----	-----
As at 31 December 2001	-	33,642	18,771	52,413
	-----	-----	-----	-----
Net book value:				
As at 31 December 2001	£92,496	£14,208	£9,020	£115,724
	=====	=====	=====	=====
Net book value:				
As at 31 December 2000	£92,496	£8,523	£9,757	£110,776
	=====	=====	=====	=====

The freehold premises are occupied by the Society as offices and surplus space is rented out. The market value of the premises is estimated to exceed substantially the book value in these financial statements. No formal valuation has been obtained since this would incur expense out of proportion to its benefit.

6. Investments

	2001	2000 Proforma
Quoted investments:		
Market value at 1 January	65,115	68,494
Additions	-	-
Unrealised valuation (losses)/gains	(9,072)	(3,379)
	-----	-----
Market value at 31 December	£56,043	£65,115
	=====	=====

Investments comprise units in a UK common investment fund for charities with a historical cost of £65,897.

7. Debtors

	2001	2000 Proforma
Other debtors		
Income tax recoverable	5,500	6,250
Prepayments and accrued interest	3,792	4,965
	-----	-----
	£9,292	£11,215
	=====	=====

8. Liabilities: Amounts falling due within one year

	2001	2000 Proforma
Other creditors		
Subscriptions received in advance	11,743	11,079
Creditors and accruals	21,625	6,246
	-----	-----
	£33,368	£17,325
	=====	=====

9. Liabilities: Amounts falling due after one year

	2001	2000 Proforma
Life members' subscriptions received in advance	£,8505	£6,430
	=====	=====
The movement on life members subscriptions received in advance was as follows:		
Amount brought forward:		
Due within one year	865	925
Due after one year	6,430	7,295
Additions for the year	3,200	-
Taken to income for the year	(1,025)	(925)
	-----	-----
Closing balance	9,470	7,295
	=====	=====
The closing balance comprises:		
Due within one year	965	865
Due after one year	8,505	6,430
	-----	-----
	9,470	7,295
	=====	=====

10. Restricted Funds

	Pevsner Memorial Essay Fund	Mary Heath Trust	Other Restricted Funds	Total
	-----	-----	-----	-----
	£	£	£	£
Balance as at 1 January 2001	8,887	254,418	27,000	290,305
Received during the year:				
Grants	-	-	-	-
Donations	-	-	-	-
Interest	409	12,658	807	13,874
Other	-	95	-	95
	-----	-----	-----	-----
	9,296	267,171	27,807	304,274
Applied during the year:	-	3,352	9,457	12,809
	-----	-----	-----	-----
Balance as at 31 December 2001	£9,296	£263,819	£18,350	£291,465
	=====	=====	=====	=====

The Pevsner Memorial Essay Fund was set up to provide an Annual Prize for an essay on British architecture, art or the decorative arts in the Victorian or Edwardian period, by someone who has not been published

before. The fund is represented by cash at bank. The Mary Heath Trust was set up according to the terms of the will of the late Mary Heath, who left her entire estate to the Society 'for the benefit of the Birmingham Group'. The fund is represented by funds on short-term deposit and cash at bank.

11. Endowment Fund

The Tom Greeves Memorial Fund was established in April 1999 following a generous gift from Eleanor Greeves in memory of her husband. The fund is constituted as an expendable endowment and is to be used to support the Society's casework. Accordingly the income for the year is transferred from the Endowment Fund to the Unrestricted Fund to finance casework costs. Movements on the fund are set out in the Statement of Financial Activities. The fund is represented by investments.

12. Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	----- £	----- £	----- £	----- £
Tangible fixed assets	107,643	8,081	-	115,724
Investments	-	-	56,043	56,043
Net current assets	103,533	283,384	-	386,917
Liabilities	8,505	-	-	8,505
	-----	-----	-----	-----
Totals at 31 December 2001	£219,681	£291,465	£56,043	£567,189
	=====	=====	=====	=====

The levels of restricted and endowment funds are considered satisfactory to fulfil the obligations the Society took on in accepting those funds.

Much of the unrestricted funds represent fixed and working assets required by the Society in carrying on its day to day work. The Trustees consider it prudent that the element of cash and funds on short term deposit in unrestricted funds should be equal to six months' normal expenditure plus an allowance for property refurbishment in case of fluctuations in the future level of income. At 31 December 2001 the Society's unrestricted reserves were £ 5,700 greater than this amount (2000: £7,400 deficit). The amount fluctuates from time to time and the Trustees are presently satisfied that no further action is necessary.

13. Statutory and general information

This note contains information required to comply with statutory and technical accounting pronouncements:

(i) In relation to the statement of financial activities

None of the Society's activities was acquired or discontinued during the current or previous years. Accordingly all of the Society's results relate to continuing operations.

Save as disclosed in the Statement of Financial Activities, the Society has no recognised gains and losses. Accordingly a statement of total recognised gains and losses for the year would be the same as the statement of financial activities and has not been presented.

In accordance with the Statement of Recommended Practice 'Accounting by Charities', the Society is required to disclose a summary income and expenditure account prepared in accordance with Financial Reporting Standard No 3:

***Summarised income and expenditure account
for the year to 31 December 2001***

	2001	2000 Proforma
Gross income from continuing operations being total income of continuing operations	293,171	380,479
Total expenditure of continuing operations	256,338	284,571
Net income for the year before transfers and gains/losses on investment assets	36,833	95,908
Transfer from endowment funds	1,965	2,076
Net income for the year after transfers	38,798	97,984
Unrealised gain/(loss) on fixed asset investments	(9,072)	(3,379)
Net income for the year	29,726	94,605

The income and the expenditure for the year comprises the income and expenditure on unrestricted and restricted funds as shown in the Statement of Financial Activities.

No taxation is payable as the Society is a registered charity and accordingly is entitled to exemption from taxation on its charitable activities under the provisions of the Income and Corporation Taxes Act 1988.

(ii) Balance sheet

There are no pension or other contingencies at 31 December 2001 and 2000.

**AUDITORS' REPORT
TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2001**

We have audited the financial statements on pages 10–11 which have been prepared on the basis of the accounting policies on pages 12–17.

Respective Responsibilities of the Main Committee and the Auditors:

As described on page 6, the Main Committee is responsible for the preparation of the financial statements in accordance with United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

Basis of Opinion:

We conducted our audit in accordance with 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 Main Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Victorian Society'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 mis-statement, 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 the affairs of the Victorian Society at 31 December 2001 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Derek Rothera and Company
Chartered Accountants and Registered Auditors,
339/40 Upper Street, London N1 0PD.

27 April 2002