

# Annual Report and Financial Statements

Year Ended 31 December 2004

**THE VICTORIAN  
SOCIETY**

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**THE VICTORIAN SOCIETY**

1 Priory Gardens  
Bedford Park  
London W4 1TT

**Registered Charity**

No 1081435

**Company Registration**

No 3940996

## ANNUAL REVIEW

# Sense of place

Victorian and Edwardian buildings are irreplaceable, cherished, diverse, beautiful, familiar and part of our everyday life.

They contribute overwhelmingly to the character of places people love and places where people live. They belong to all of us. Their owners are really only custodians for future generations. Victorian and Edwardian buildings are part of our collective memory, and central to how we see ourselves as individuals, communities and as a nation.

When decisions are taken which affect their future, the debate must be open and informed. We need to understand what is special about Victorian and Edwardian buildings and landscapes so that any necessary changes can be incorporated without damaging them forever. We don't want to lose our past through ignorance.

That's where the Victorian Society comes in. As a reservoir of expertise, as energetic campaigners, and as a community organisation bringing together individuals from all round the country, we have helped people save the buildings they value. Sometimes it has been major national monuments such as the Albert Memorial in London or the Albert Dock in Liverpool, but more often nowadays it is local churches threatened with closure or good houses flattened to make way for undistinguished offices.

Together we really can save the past for the future.

Dr Geoff Brandwood, Chairman

Dr Ian Dungavell, Director

# The Victorian Society

The Victorian Society is the champion for Victorian and Edwardian buildings in England and Wales.

- We fight to preserve important Victorian and Edwardian buildings and landscapes so that they can be enjoyed by this and future generations
- We provide expert advice to churches and local planning authorities on how Victorian and Edwardian buildings and landscapes can be adapted to the way we live now, while keeping what is special about them
- We provide advice to members of the public about how they can help shape the future of their local Victorian and Edwardian buildings and landscapes
- We provide information to owners of Victorian and Edwardian houses about how they can better look after their precious buildings
- We help people understand, appreciate and enjoy the architectural heritage of the Victorian and Edwardian period through our publications and educational programmes

We want people to enjoy their fine inheritance of Victorian and Edwardian buildings, both now and in the future.

**Victorian and Edwardian buildings enrich our lives**

## Conserving

### *Listed building consent and faculty application review*

We aim to help churches and local planning authorities make better decisions about how Victorian and Edwardian buildings and landscapes can be adapted to the way we live now, while keeping what is special about them. This is the major area of our work, and we do this by commenting on applications for listed building consent or faculty. We do not attempt to comment on every notification received. Instead, we respond when we consider that the proposals are damaging to the historic character of the property concerned, and where our expert input might result in a less destructive outcome. Our responses highlight the historic and architectural importance of each site and explain in what way the proposals are detrimental. We bring the experience of our caseworkers, our casework committees and other advisers to bear on each case to deliver considered responses which draw on an exceptional breadth of knowledge. We employ three full-time caseworkers based in London, but we rely on volunteers around the country for a great deal of our work.

Some of our regional groups respond to applications for listed building consent in their areas, buoyed by considerable local knowledge. A legacy from a former member enables us to employ a Birmingham and West Midlands Architectural Adviser for two days per week to work alongside volunteers in that area, and our groups in Leicester and West Yorkshire also do casework.

Mere counting of cases does not reveal the true extent of our work, as some cases can be dealt with quickly while others require many meetings and site visits to be resolved. Nevertheless the figures are impressive. In 2004 we received 6,509 notifications of proposals for works to listed buildings (6,310 in 2003). Of these 2,373 related to Victorian or Edwardian buildings (2,308 in 2003), and we gave detailed responses to 521 (635 in 2003). Reports on current cases are published in each issue of the *Victorian*, and a detailed list is

available on our website or on request from the Society.

There are some big challenges ahead for us. English Heritage has new plans for dealing with casework, predicated on the importance of pre-application discussion. They will become involved earlier on in fewer cases, hoping to achieve successful outcomes by helping to shape developments from the start, rather than stopping projects at planning application stage once a lot of time and money have been spent. It is a very sensible way to work, though as there is no obligation to notify the Victorian Society until listed building consent applications have been submitted, there is the danger that we will be marginalised by coming in at a late stage.

We are very grateful to English Heritage for a grant of £16,500 towards helping us cope with the advent of 'e-planning', part of the 'e-government' initiatives under which we may receive planning applications in digital form instead of on paper. We used this to replace our antiquated computer network and to equip our caseworkers with dual computer screens so they can look at plans, as existing and as proposed, side by side, without having to add to our mountains of paper by printing them off. We also purchased a digital camera. However, we still need more money to buy a data projector so that all these digital images can be used in presentations to our building committees and others. Donations are welcome!

We remain extremely disappointed that the grant from English Heritage to support our churches casework has been reduced to £5,000 for 2005-6 and that it will be cut altogether by 2007. As English Heritage generally do not get involved with Grade II listed churches this leaves a crucial part of our work without funding. Yet English Heritage have been the victims of cuts themselves at the hands of the Department for Culture, Media and Sport, a department which shows little interest in heritage. By DCMS's own figures, English Heritage's funding will be cut by 4.6% in real terms between 2004-5 and 2007-8. And that comes on top of several years of parsimonious

settlements which have seen English Heritage's funding rising by a miserly 3% since 2000-1, well below inflation over that period. Contrast that with increases for Sport England of nearly 100%, for Arts Council England of 53%, and for museums, galleries and libraries of 36%. And this at a time when English Heritage takes on a number of new tasks as a result of the Heritage Protection Review. It has also been unable to make any increases to its £30 million grant fund for repairing historic buildings over the last five years, during which time building tender prices have increased by 25.9%.

### *Supporting local campaigners*

We have now employed Ann Morgan as our new Community Engagement Officer, a post made possible by legacy income, for a trial period of two years. Her job is to help local people stand up for the buildings they value by encouraging them to work in alliance with other local organisations, through dissemination of best practice guidelines and, where appropriate, collaborative working. We also refer them to sources of advice on how to mount campaigns, advise them on how to get buildings spot-listed and, where appropriate, we support applications for listing.

We also held two training days for regional group caseworkers and members of our buildings committees. The first, held at our office in West London considered such issues as burial law and the impact of the internet on the planning process, while the second was hosted by our Leicester group and was followed by a tour of the city looking at current conservation issues.

### *Contributing to policy development*

We also aim to influence government policy relating to the historic environment, usually responding to government consultations through the Joint Committee of the National Amenity Societies where broader policy issues form a major part of the discussions. From April 2005 onwards we will be even more closely involved with the Joint Committee as Dr Ian Dungavell takes

over as its Secretary. We are also a member of Heritage Link. In 2004, we responded to the *Review of Ecclesiastical Exemption*, though we,

like many others, thought that the consultation document was lacking in clarity to the point of being incomprehensible in places. We also

responded to the review of the National Monuments Record.

## Educating

We aim to help people understand, appreciate and enjoy the architectural heritage of the Victorian and Edwardian period as we believe that through knowledge comes care. We do this through our educational programme which includes walks, visits, lectures, conferences (many of which are organised by our regional groups) and publications. We also provide information to owners of Victorian and Edwardian houses about how they can better look after their precious buildings. Our director, Dr Ian Dungavell, gave conservation advice on BBC TV's *Restoration Nation*, for Channel 4's *Streets Ahead*, and also on *Our House 2* for UKTV Style. Dale Dishon, our Northern and Welsh Architectural Adviser, was interviewed for an *Archive Hour* programme about workhouses (BBC R4) and has in 2005 appeared on BBC TV's *The Culture Show* about Liverpool.

It is important to point out that all of those who lecture for us and lead visits do so without payment except for their expenses, seeing this as a way of contributing to the work of the Society. Our events programme is important in itself, and also for the financial support it provides to our casework.

### *Lectures, conferences and study days*

Our lecture series on *Great Cities*, organised by Michael Hall, and *Celebrating Ingenuity* (looking at various building types such as

fortifications, mausolea, farm buildings and public libraries), organised by Geoff Brandwood, were very well attended. In association with the Friends of the Union Chapel, Islington, we held a study day on *Dissent and the Gothic Revival*, and Clive Bettington organised another one on *The Jewish East End*, and Anne Anderson presented *A Beginner's Guide to the Aesthetic Movement*.

### *Visits*

One of the highlights of the events programme was our *Palaces of the East Midlands* weekend, led by David Crellin, during which we visited a number of large country houses enlarged or rebuilt in the nineteenth century, including Welbeck, Thoresby, Harlaxton and Belvoir. Another, Stoke Rochford, has since been extensively damaged by fire. There was also weekend in Brussels, led by our Director, Dr Ian Dungavell, during which we saw many buildings not normally open to the public including Victor Horta's Tassel House. In May, Michael Hall led a day trip looking at Victorian churches in Brighton and Hove, some of which had been threatened with closure. Our annual general meeting weekend, expertly organised by our Chairman, Dr Geoff Brandwood, was based in Ironbridge, looking at its remarkable industrial heritage, and also included a visit to Norman Shaw's Adcote (now a school) and a private house designed by Aston

Webb, both near Shrewsbury. We were honoured to be addressed by Sir Neil Cossons, Chairman of English Heritage. Other events included: a tour looking at the Victorian and Edwardian aspects of St Paul's Cathedral, walks in Loughton, Canonbury, Mornington Crescent, Holborn, tours of London statues and Thames bridges, visits to Oswestry, Liverpool, Eastnor Castle, Leek and Cheddleton, Fishguard, Todmorden, Tyntesfield, Huddersfield, Rugby School, the Victoria Baths in Manchester, and a tour looking at the work of John Douglas. Many of these were organised by our regional groups.

### *The Victorian*

We published three issues of *The Victorian* in 2004, increasingly using the magazine to support our campaigns to save buildings. And, for the first time, each issue was printed in full colour. In March we examined plans to close fifteen Anglican churches in Brighton and Hove, demonstrating that no account had been taken of their historic importance. In July, we focussed on the transformation of St Pancras station and its hinterland in London, an area of longstanding interest to the Society. In November we looked at the problem of buildings at risk of loss through neglect and decay, despite many being capable of 'beneficial re-use'. Our first issue for 2005 looked at the crisis facing Victorian cemeteries today.

## Involving

We aim to get people involved in the debates about their Victorian and Edwardian heritage, and in supporting the work of the Victorian Society.

Volunteers continue to be central to our work. They contribute their expertise by assessing applications for listed building consent in our two buildings committees, 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 free advice a year.

As well as our trustees, officers and committee members, many others give much more to the Society than just their annual subscription. In 2004, Rowan Roenisch received our 'Volunteer of the Year' award in recognition of her many years' service doing casework for our

Leicester Group. And, thanks to the Hounslow Volunteer Bureau, we have also recruited office volunteers from outside the membership of the Society. There are now many days when the volunteers in the office outnumber the staff, and 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, and sign Gift Aid declarations to maximize the value of their donations and membership subscriptions. Having read of the loss of funding for our Churches Officer, one of our 'outraged members' (her own description) promptly sent us £5,000 towards churches casework. Our appeal to raise funds to restore our headquarters raised over £23,000; though tender prices came in at more

than expected and another appeal will be held in 2005. Work will begin in Spring 2005. We hope people will remember us when writing their wills: in 2004 we received the final instalment (£6,468) of a legacy worth over £27,000 from Margaret Ramsden, and £10,000 from Dorothy Cathilda Fraser, which will be used to fund the first issue of our new journal. Legacy income is vital to the funding of special projects that would otherwise be unaffordable.

And still we maintain our loyal base of almost 3,300 members who support us by happily paying annual subscriptions in support of our conservation and educational work. Thank you! If you would like to support our work by joining or making a donation, please telephone 020 8747 5890.

## People

### Patron

HRH The Duke of Gloucester KG, GCVO

### President

Lord Briggs of Lewes

### TRUSTEES

#### Officers

Dr Geoff Brandwood (Chair)

Marion Giles (Vice chair)

Julia Elton (Vice chair)

Andrew Coleman (Honorary Financial Adviser)

Jeremy Black (Honorary Legal Adviser)

### Elected Members

Quentin Alder

Dr Anne Anderson

Samantha Barber

Dr Martin Cherry

David Wynford Evans

Michael Hall

Rosemary Hill

Stephen Howard

Peter Howell

Dr David Low

Ken Moth

Steve Roman

Sarah Whittingham

### Regional Group Chairs/Trustees

*Birmingham* Barbara Shackley

*Leicester* Jon Goodall

*Liverpool* Graham Fisher

*South Wales* Elaine Davey

*South Yorkshire* Valerie Bayliss CB

*West Yorkshire* Peter Hirschmann

### Regional Group Chairs

*Great Eastern* John Shaw-Ridler

*Manchester* Steve Little

### STAFF

**Director** Dr Ian Dungavell

**Senior Architectural Adviser** Dr Richard Holder (to 31 March 2005); Dale Dishon (from 1 April 2005)

**Southern Architectural Adviser** Dr Kathryn Ferry (from 1 May 2005)

**Northern and Welsh Architectural Adviser** Dale Dishon (to 31 March 2005)

**Churches Officer** Charles Smith

**Birmingham and West Midlands Architectural Adviser** Mary Worsfold

**Community Engagement Officer** Ann Morgan (from 1 January 2005)

**Administrator** Richard Seedhouse

**Events Organiser** Jane Wainwright (to 31 May 2005)

### BANKERS

Barclays, Hammersmith Business Centre Group, London W6 9HY

COIF Charities Funds, 2 Fore Street, London EC2Y 5AQ

### AUDITORS

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

# Report of the trustees

## 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 2004.

## 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.

## 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

The arrangements applying during the year were as follows. Trustees of

the Society comprised the honorary officers, the chair or secretary of each regional group and up to 15 others. The honorary officers comprised the Chair (elected by the Board of Trustees for a term of 3 years), two Vice Chairs, the Honorary Financial Adviser, and the Honorary Legal Adviser (all of whom were elected by the Board of Trustees annually). Trustees other than the honorary officers were elected for a three-year term of office. Trustees were automatically eligible to stand for a further term of office but only with the approval of the Board of Trustees could they stand for a further consecutive term of office. Election to the Board of Trustees 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 Board of Trustees met four times a year. Certain of the functions of the Board were delegated to committees that report formally to the Board at each of its meetings. In particular the management of the Society was delegated to the Management Committee, which met approximately every six to eight weeks. Day to day management of the Society is delegated to the Director who attended Management Committee meetings.

A resolution was passed by an Extraordinary General Meeting on 23 April 2005 to make some amendments to the Society's governance. These amendments will take effect from the Annual General Meeting in July 2005.

## Review of developments, activities and achievements

The Annual Review of the Society is set out on pages 3 to 6.

## Financial review

### *Income and expenditure*

Income for the year was £320,360 in comparison with £266,598 for the previous year, an increase of 20.2%. Subscription income remained stable year on year. Gift Aid was markedly up this year as a result of the impact

of a special appeal and a further change in the timing of claims. Restricted donations were up this year as the Society raised £23,182 in a very successful appeal to carry out overdue and important work on the Society's headquarters in Priors Gardens. This work should hopefully commence in 2005. In addition we received a very generous and unsolicited donation of £5,000 towards the Society's casework from a member concerned about the cutback of our Churches Officer grant from English Heritage. Grants were up 27.9% but this is as a result of a one-off grant of £16,105 from English Heritage for re-equipping the Society's computer network offsetting a decline in the Churches Officer grant. Income from educational events and publications was up by 4.2% principally as a result of a welcome increase in advertising revenue from *the Victorian*, and higher income from the programme of activities offsetting a decline in sales of publications. Investment income increased as a result of higher deposit balances and higher interest rates. Excluding legacy income and other one-off items, total income rose by 8.6%.

Expenditure was £273,276 in comparison with £257,705 for 2003, an increase of 6%. As members will recall, the total was inflated last year by nearly £8,000 in respect of some long overdue electrical re-wiring at the Society's headquarters and the costs of training on the new membership database. Excluding these one-off items, expenditure on a like for like basis increased by 9.3%. Over half of this increase relates to increases in employment costs. Two factors are at work here. Firstly it has become clear that the Society's salaries were falling behind levels in the conservation sector and some modest adjustments have been made to address this. Secondly the employment costs reflected the additional cost of having staff in place for a full year in two posts. Other factors that led to an increase in costs year on year were the impact of enhancing the Victorian by using colour printing and outsourcing the

editing and an increase in the cost of the Society's programme of activities.

The result of these changes in income and expenditure was to increase the surplus for the year to £47,084 before unrealised gains on investments, in comparison with £8,893 in 2003. Excluding legacies and other one-off items the outcome was a deficit of £10,756 for the year in comparison with a deficit of £8,219 for the previous year. We were relieved to see a further improvement in the value of the Society's investments this year by £3,292.

Overall this result was a little better than we had expected but indicates the level of challenge in the years ahead to raise recurring income. The continued threat to the Victorian and Edwardian built environment means that the Society must continue to increase the level of its expenditure on casework and educational activities even if this results in greater challenges in funding these costs. Members will have seen that the Society is seeking to recruit a trustee specifically to help with fundraising initiatives.

It is the Society's policy that legacy income will not be used to cover general expenditure but is regarded as available to meet the cost of projects that would otherwise simply not be affordable within the Society's resources. 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 obligations 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. 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 net assets showed an increase of 7.9% during the year, nearly 2/3 of which represents an increase in restricted funds. Fixed assets increased by a net £4,999 with additions of £17,639 (principally the cost of upgrading the Society's computer equipment) less depreciation of £12,640. The increase in investments of £3,292 is due to an increase in their value during the year. Net current assets less liabilities due after one year increased by £42,085, principally as a result of the impact of the receipt of donations received for the repair work on Priory Gardens and legacy income which were not spent during the year.

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 and Company be re-appointed as auditors will be put to the annual general meeting.

The Board of Trustees approved this report on 23 April 2005.

Dr Geoff Brandwood  
Chair

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2004	Total 2003
<b>INCOMING RESOURCES</b>						
<b><i>Voluntary income:</i></b>						
Subscriptions		70,373	-	-	70,373	70,643
Donations		6,178	28,312	-	34,490	9,248
Grants		-	63,370	-	63,370	49,533
Gift Aid		19,011	-	-	19,011	4,752
Legacies	2	18,553	-	-	18,553	24,895
<b><i>Income from operating activities</i></b>						
Educational events and publications		80,787	-	-	80,787	77,560
Other income		2,073	-	-	2,073	2,976
<b><i>Investment income</i></b>						
Rental income		9,000	-	-	9,000	9,000
Investment income		-	-	1,869	1,869	1,900
Interest		9,820	11,014	-	20,834	16,091
Total incoming resources		215,795	102,696	1,869	320,360	266,598
<b>EXPENDED RESOURCES</b>						
<b><i>Cost of generating funds</i></b>						
Fundraising costs		8,430	-	-	8,430	8,919
<b><i>Cost of charitable activities</i></b>						
Education (including events and publications)		118,976	7,200	-	126,176	118,604
Architectural conservation		66,911	64,044	-	130,955	122,877
Management and administration		7,715	-	-	7,715	7,305
Total resources expended	3	202,032	71,244	-	273,276	257,705
Net incoming/outgoing resources before transfer		13,763	31,452	1,869	47,084	8,893
Transfers	11	1,869	-	(1,869)	-	-
Unrealised gains/(losses)		-	-	3,292	3,292	4,924
Net movement of funds		15,632	31,452	3,292	50,376	13,817
Balance brought forward at 1 January		311,208	276,817	49,273	637,298	623,481
Balance carried forward at 31 December		£326,840	£308,269	£52,565	£687,674	£637,298

The Accounting Policies and the Notes on pages 11 to 15 form part of these Financial Statements.

**BALANCE SHEET AT 31 DECEMBER 2004**

	Notes	2004	2003
<b>FIXED ASSETS</b>			
Tangible assets	5	133,128	128,129
Investments	6	52,565	49,273
		<u>185,693</u>	<u>177,402</u>
<b>CURRENT ASSETS</b>			
Stock of publications		11,620	7,350
Debtors	7	25,545	6,968
Short term deposits		485,547	463,991
Cash in bank and in hand		16,595	17,960
		<u>539,307</u>	<u>496,269</u>
<b>CREDITORS</b>			
Amounts falling due within one year:	8	<u>28,016</u>	<u>26,173</u>
<b>NET CURRENT ASSETS</b>		511,291	470,096
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>696,984</u>	<u>647,498</u>
<b>CREDITORS</b>			
Amounts falling due after one year	9	9,310	10,200
<b>NET ASSETS</b>		<u>£687,674</u>	<u>£637,298</u>
Represented by:			
<b>FUNDS</b>			
Unrestricted		326,840	311,208
Restricted	10	308,269	276,817
Endowment	11	52,565	49,273
<b>TOTAL FUNDS</b>		<u>£687,674</u>	<u>£637,298</u>

\_\_\_\_\_  
Geoff Brandwood (Chairman)

\_\_\_\_\_  
Andrew Coleman (Honorary Financial Adviser)

on behalf of the Trustees  
Date: 23 April 2005

The Accounting Policies and the Notes on pages 11 to 15 form part of these Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 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.

#### (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 types 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 the providers of the funds. 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. Sales of literature and advertising are dealt with on an accruals basis. Subscriptions are due on 1 March each year. Subscriptions are recognised as received. 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 property and its 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 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 received prior to 2000 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

There is no expected income from legacies not recognised in these accounts.

**3. Total resources expended**

	<b>Staff costs</b>	<b>Other direct costs</b>	<b>Other allocated costs</b>	<b>Total 2004</b>	<b>Total 2003</b>
Fund raising costs	4,046	-	4,384	8,430	8,919
Education costs	33,657	73,196	19,323	126,176	118,604
Architectural conservation costs	97,065	14,567	19,323	130,955	122,877
Management and administration	1,480	4,535	1,700	7,715	7,305
	<u>£136,248</u>	<u>£92,298</u>	<u>£44,730</u>	<u>£273,276</u>	<u>£257,705</u>

Costs include:

	<b>2004</b>	<b>2003</b>
	£	£
Auditor's remuneration		
-Audit fee	2,432	2,174
-Accountancy fee for payroll services	342	270
Depreciation	12,640	9,527
Staff costs comprise:		
Wages and salaries	118,972	108,800
Social security costs	12,549	9,795
Pension costs	4,725	5,093

The average number of staff employed during the year, calculated on a full time equivalent basis, was 5 (2003: 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**

13 Trustees (2003: 15) received reimbursement of their travelling expenses totalling £1,562(2003: £1,245) in relation to their role as trustees or on committees. No (2003: No) Mary Heath trustees received reimbursement.

During the year the Society received £173 profit share from Spire Books, a company of which Geoff Brandwood, the Society's Chairman, is a director.

**5. Tangible Fixed Assets**

	<b>Freehold premises</b>	<b>Office equipment</b>	<b>Furniture &amp; fittings</b>	<b>Total</b>
	£	£	£	£
Cost:				
As at 1 January 2004	92,496	66,166	40,127	198,789
Additions	-	17,203	436	17,639
Disposals		(35,006)	-	(35,006)
As at 31 December 2004	<u>92,496</u>	<u>48,363</u>	<u>40,563</u>	<u>181,422</u>
Depreciation:				
As at 1 January 2004	-	45,817	24,843	70,660
Charge for year	-	9,673	2,967	12,640
Disposals	-	(35,006)	-	(35,006)
As at 31 December 2004	<u>-</u>	<u>20,484</u>	<u>27,810</u>	<u>48,294</u>
Net book value:				
As at 31 December 2004	<u>£92,496</u>	<u>£27,879</u>	<u>£12,753</u>	<u>£133,128</u>
Net book value:				
As at 31 December 2003	<u>£92,496</u>	<u>£20,349</u>	<u>£15,284</u>	<u>£128,129</u>

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

	<b>2004</b>	<b>2003</b>
Quoted investments:		
Market value at 1 January	49,273	44,349
Additions	-	-
Unrealised valuation (losses)/gains	3,292	4,924
	<u>£52,565</u>	<u>£49,273</u>

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

## 7. Debtors

	<b>2004</b>	<b>2003</b>
Other debtors	2,355	2,941
Prepayments	3,860	4,027
Accrued income	19,330	-
	<u>£25,545</u>	<u>£6,968</u>

## 8. Liabilities: Amounts falling due within one year

	<b>2004</b>	<b>2003</b>
Accruals	8,915	6,049
Deferred income	19,101	20,124
	<u>£28,016</u>	<u>£26,173</u>

## 9. Liabilities: Amounts falling due after one year

	<b>2004</b>	<b>2003</b>
Life members' subscriptions received in advance	<u>£9,310</u>	<u>£10,200</u>

The movement on life members subscriptions received in advance was as follows:

Amount brought forward:		
Due within one year	1,040	970
Due after one year	10,200	8,770
Additions for the year	100	2,600
Taken to income for the year	(1,045)	(1,100)
	<u>£10,295</u>	<u>£11,240</u>

The closing balance comprises:

Due within one year	985	1,040
Due after one year	9,310	10,200
	<u>£10,295</u>	<u>£11,240</u>

**10. Restricted Funds**

	<b>Pevsner Memorial Essay Fund</b>	<b>Mary Heath Trust</b>	<b>Grants</b>	<b>Donations</b>	<b>Total</b>
	£	£	£	£	£
Balance at 1 January 2004	9,958	260,540	6,319	-	276,817
Received during the year:					
Grants	-	-	63,370	-	63,370
Donations	-	-	-	28,312	28,312
Interest	40	10,974	-	-	11,014
	<u>9,998</u>	<u>271,514</u>	<u>69,689</u>	<u>28,312</u>	<u>379,513</u>
Applied during the year	-	(12,803)	(53,311)	(5,130)	(71,244)
Balance at 31 December 2004	<u>£9,998</u>	<u>£258,711</u>	<u>£16,378</u>	<u>£23,182</u>	<u>£308,269</u>
Comprising:					
Fixed assets	-	-	14,100	-	14,100
Debtors	-	-	16,105	-	16,105
Funds on short term deposit	9,998	258,465	-	23,182	291,645
Cash at bank	-	246	(13,827)	-	(13,581)
	<u>£9,998</u>	<u>£258,711</u>	<u>£16,378</u>	<u>£23,182</u>	<u>£308,269</u>

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 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'.

Grants principally comprise amounts receivable from English Heritage towards the Society's architectural conservation work and an upgrading of its computer systems network. A grant was also received from Cadw.

Donations comprise amounts received for the appeal for Priory Gardens repairs and donations received for casework. The Priory Gardens repairs will be carried out during 2005.

**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**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	£	£	£	£
Tangible fixed assets	119,028	14,100	-	133,128
Investments	-	-	52,565	52,565
Net current assets	217,122	294,169	-	511,291
Creditors after one year	(9,310)	-	-	(9,310)
Balance at 31 December 2004	<u>£326,840</u>	<u>£308,269</u>	<u>£52,565</u>	<u>£687,674</u>

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 not be less than six months' normal expenditure plus an allowance for property refurbishment in case of

fluctuations in the future level of income. At 31 December 2004 the Society's unrestricted reserves were £42,000 greater than this amount (2003: £65,000). 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 2004**

	<b>2004</b>	<b>2003</b>
Gross income from continuing operations being total income of continuing operations	318,491	264,698
Total expenditure of continuing operations	<u>273,276</u>	<u>257,705</u>
Net income for the year before transfers and gains/losses on investment assets	45,215	6,993
Transfer from endowment funds	<u>1,869</u>	<u>1,900</u>
Net income for the year after transfers	47,084	8,893
Unrealised gain/(loss) on fixed asset investments	<u>3,292</u>	<u>4,924</u>
Net income for the year	<u><u>£50,376</u></u>	<u><u>£13,817</u></u>

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 2004 and 2003.

# Auditor's report

## TO THE TRUSTEES OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2004

We have audited the financial statements on pages 9 to 15 which have been prepared on the basis of the accounting policies set out on page 11.

### **Respective Responsibilities of the Trustees and Auditors**

As described on page 8 the trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

This opinion has been prepared for and only for the Society's members and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

### **Basis of opinion**

We conducted our audit in accordance with relevant legal and regulatory requirements and 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 Society as at 31 December 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Charities Act 1993 and the Companies Act 1985.

Derek Rothera & Co  
Chartered Accountants & Registered Auditors  
339/340 Upper Street  
London, N1 0PD

Date: 23 April 2005