

THE VICTORIAN SOCIETY

Annual Report and Financial Statements

Year Ended 31 December 2002

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

Dr Geoff Brandwood (Chair)

Marion Giles (Vice chair)

Julia Elton (Vice chair from 25 January 2003)

Andrew Coleman (Hon Financial Adviser)

Jeremy Black (Hon Legal Adviser)

Elected Members

Dr Anne Anderson

Quentin Alder (from 19 October 2002)

Samantha Barber

Robin Bluhm

Dr Chris Brooks (until 23 February 2002)

Dr Martin Cherry (from 19 October 2002)

David Wynford Evans

Richard Evans OBE

Michael Hall (from 19 October 2002)

Rosemary Hill

Stephen Howard

Peter Howell

Randal Keynes (until 19 October 2002)

Dr David Low (from 19 October 2002)

Robert Thorne (until 19 October 2002)

Jane Wainwright OBE (from 25 January 2003)

Sarah Whittingham

Roy Williams CB (until 19 October 2002)

Regional Group Trustees

Birmingham Barbara Shackley

Great Eastern Michael Pearson

Leicester Jon Goodall

Liverpool Graham Fisher

Manchester Steve Little

Southampton Scott Anderson

South Wales Olwen Jenkins

South Yorkshire Valerie Bayliss CB (from 19 October 2002)

Beth Sliwinski (until 19 October 2002)

West Yorkshire Peter Hirschmann

STAFF

Director Ian Dungavell

Senior Architectural Adviser Richard Holder

Northern Architectural Adviser David Crellin

Churches Officer Hannah Padley (to 25 April 2003); Charles Smith (from 14 April 2003)

Birmingham and West Midlands Architectural Adviser Mary Worsfold (from 5 May 2003)

Administrator Richard Seedhouse

Activities Manager Rebecca Daniels (to 31 May 2002)

Activities Assistant Pam Gray (to 31 May 2002)

Events Organiser Katharina Lupnova (from 1 October 2002)

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

Registered Charity

No 1081435

Company Registration

No 3940996

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ANNUAL REVIEW

From the Chairman

Debenham House (1905–7) is a magnificent Grade I-listed house in Kensington, London, designed by Halsey Ricardo, and famous for its glazed polychromatic exterior in green, turquoise and white. Inside the leading art workers of the day, men such as William De Morgan, George Jack and Ernest Gimson, contributed to its decoration. The house had been occupied for many years by an institution which, as recently as the mid-1980s, applied to build a large rear extension for offices, student accommodation and a conference hall. Of course the Victorian Society objected vigorously, arguing that this development would destroy forever the possibility that the building might once again be used for its original purpose and thankfully consent was refused.

Were we right to object? At the time people questioned whether the building really did have any future as a private house. But now it is back in single family occupation after a painstaking restoration and looks so much better for it. Thanks to the generosity of the present owners, members of the Society were able to inspect the interior at a special fundraising reception held to mark our 45th birthday on 27 February 2003.

The point is that economic cycles move quickly, and are mere blips in the life of historic buildings. Circumstances which may seem insurmountable at one time can be completely different within ten years, so decisions about buildings must always be taken with a long-term view. Our role is to provide a counterweight to the claims of developers and many owners whose concerns are, not surprisingly, much more short-term.

That is why the demolition last year of Durnford Street School, Rochdale, (1908–10) a major work of the Manchester architect Edgar Wood, was so shameful. Its Grade II* listing was no protection as even English Heritage agreed in principle it could go as re-use of the building was not considered economically viable. Yet school buildings are generally eminently adaptable, as they offer spacious well-lit accommodation, and it is quite likely that had Durnford Street School survived long enough an appropriate use would have been found. Unfortunately we will never know.

Dr Geoff Brandwood, Chairman

Conservation

In 2002 the Government's planning green paper threatened to remove the Victorian Society's role, along with that of the other national amenity societies, as statutory consultees. Consultation, it appeared to them, got in the way of the speedy working of the planning process. Yet clearly this was a case of amnesia on their part: there is no obligation on planning authorities to wait for our responses to their notifications of applications for listed building consent. Usually we have 28 days to respond, after which any comments we make can be safely ignored. So even if we wanted to cause a delay, we couldn't.

There was great public support for our cause, and in the Lords, Lord Crathorne spoke eloquently in defence of the amenity societies. The *Sunday Telegraph* published an important feature article and our Director was interviewed for West Country television and Radio 4's *Today* programme. Soon the proposal was dropped, and Lord Falconer wrote that 'the National Amenity Societies do an excellent job on a largely voluntary basis, watching over our built heritage' and that he had no intention to remove our right of notification. So after much campaigning, we were reprieved.

But the Government still does not appear to be much interested in the historic environment. While CABI, the 'champion for architecture in England' enjoys increasing levels of funding from the Department for Culture, Media and Sport, the share of the champions for the historic environment, English Heritage, has been steadily declining. And with the present international situation, its earned income from properties is down too. Now its financial problems have hit us: the grant we receive for our Churches Officer is to be phased out over the next three years. This comes at a time when threats to churches are growing, whether through redundancies brought on by the anticipated decline in congregations, or the extra facilities that many parishes seek to include in their buildings as a means of facilitating extended uses and earning extra income.

We simply cannot do without a Churches Officer and ideally we would have at least two. Parishes demand our advice and guidance, and we want to help them look after their precious church buildings. We don't oppose change in principle, but we advise how change can be accommodated with a minimum of damage to the historic and architectural interest of a building. 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 Grade II* buildings, and usually see Grade II buildings only when the proposals are for total demolition, the removal of a principal external wall or the demolition of a substantial part of the interior.

This presents us with a great fundraising challenge. By 2007 we will have to raise at least an additional £17,000 a year just to provide our current level of services. Appeals, grants and legacies are going to be crucial to our work.

Commenting on applications for listed building consent kept our three full-time caseworkers and regional groups very busy in 2002. 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. We received 6,419 notifications of proposals for works to listed buildings. Of these, 1,966 related to Victorian or Edwardian buildings, and we gave responses to 601. Reports on current cases are published in each issue of the *Victorian*. A detailed list of selected cases undertaken is available on our website or on request from the Society. A donation is requested to cover costs of postage and administration.

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 and do what we can but, frustratingly, lack of resources prevents us from taking up many other cases. Instead, we provide advice and support to residents mounting their own campaigns.

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.

The Victorian Society Book of the Victorian House by Kit Wedd

Increasingly owners and occupiers of Victorian houses have become interested in preserving them, both for their own enjoyment and that of future generations, and in restoring features or decorative styles that earlier owners had destroyed in misguided attempts to 'modernize' their properties. We believe that many of the damaging things that people do to their houses are the result simply of ignorance, and this book aims to help owners to make the right decisions. Thanks to a generous grant from the Jonathan Vickers Trust, this book was published by Aurum Press in September 2002. Already over 4300 copies have been sold world-wide. You can order your copy by calling 020 8747 5890 or by sending us a cheque for £34.95 (including postage in the UK).

The Victorian

We published three issues of the *Victorian* in 2002. In March the theme was Catholic architects to mark the centenary of JF Bentley and the publication of a book on George Gilbert Scott Junior by Gavin Stamp. In July, the theme was Liverpool, the venue for our 2002 AGM and in November we celebrated the publication of the *Victorian Society Book of the Victorian House* with an issue focusing on domestic architecture and design. This issue was Highly Commended in the 2003 'Golden Banana' Awards, presented at the **A**dvice for **P**rinters and **E**ditors exhibition (APE) each year at the Business Design Centre, London. Though it sounds like a booby prize, the award in fact recognises the innovative and progressive approach of small independent publishers in making use of available technology.

Website

Our website continued to grow in popularity, attracting around 70,000 hits per month. Sales of our series of nine booklets on aspects of *Care for Victorian Houses* continued to increase in 2002 despite publication of our new book. We attribute this to the growing use of the internet, which provides us with easy publicity for the series.

Birmingham Architects

The Mary Heath Trustees made a grant towards the editorial costs of a book on Birmingham architects, to be produced by the Birmingham Group of the Victorian Society.

Lectures, conferences and study days

Our winter lecture series was on *The Grand Manner: The Classical Tradition in Edwardian Architecture* organised by Richard Holder, and the autumn lecture series on *The Victorian House and its Interiors*, organised by Michael Hall to coincide with the launch of the *Victorian Society Book of the Victorian House*. We held study days on Victorian art and the middle ages in association with the Tate Gallery, on Edwardian London in association with the Museum of London, and on Victorian narrative painting, as well as a special evening to mark the sesquicentenary of the death of AWN Pugin.

Visits

There were weekend visits to Bournemouth and Swanage and to examine Bodley and Anglo-Catholic patronage in West Yorkshire, as well as our Annual General Meeting weekend in Liverpool. Our day visits included one looking at the work of Henry Woodyer, and others to Waddesdon Manor and other Rothschild houses, to churches in east Essex, and to Chatham Historic Dockyard. We visited many other buildings during the year including Lancaster House, London, Blackwell in the Lake District and the church of the Holy Rood, Watford.

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 free advice a year.

As well as our trustees, officers and committee members, many contribute much more to the Society than just their annual subscription. Thanks to Jane Wainwright and Bernard Harrison the cataloguing of our library is now complete, and work has begun on our collection of walk notes. Another team including Giles Dimock, Anne Dixon, Jean Fryer, Bryan Polley, 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 2002 we received £15,371), and sign Gift Aid declarations to maximize the value of their donations and membership subscriptions. We hope to be left legacies, too: in 2002 we received the second instalment of a legacy worth in total about £78,000 from the Reverend Mr Schofield. So far in 2003 we have received a legacy of just over £5,000 from Mrs M F E G Christiansen, a founder member, and we are expecting the final distribution from the Schofield Bequest.

And still we maintain our loyal base of over 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, please telephone 020 8747 5890.

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 2002.

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

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 4 to 6.

Financial review

Income and expenditure

Total income for the year amounted to £305,420, in comparison with £295,136 for last year. Excluding legacy income, other one-off factors and the income from the Summer School, run for the last time in its present form in 2001, total income amounted to £264,195, an increase of 9.7% over the previous year on a comparable basis. The increase is primarily due to donations to our Christmas Appeal, the generous donation of desks and furniture and to a most welcome claim of Gift Aid which had a catch-up element to it.

Total costs for the year amounted to £237,434, in comparison with £256,338 for the previous year. Excluding one-off factors and the expenditure on the Summer School in 2001, expenditure amounted to £234,940, an increase of 5.1% over the previous year on a comparable basis. A number of factors contributed to the increase including an increase in caseworker resources. Other factors were greater investment in publications (especially by the Mary Heath trust), the cost of sales of the *Victorian Society Book of the Victorian House* sold by the Society, additional essential casework expenses and higher depreciation of fixed assets.

The net movement of funds for the year, after unrealised losses on the investment portfolio is a surplus of £56,292 in comparison with a surplus of £29,726 for last year. Excluding legacy income and other one-off factors, the surplus amounts to £29,255 in comparison with a surplus of £17,256 for 2001.

All in all, this was a very 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. After the success of its Christmas Appeal, further fundraising initiatives are under consideration.

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, despite the continued poor performance of the stock market. The restricted funds are invested in cash deposits, which has proved to be a wise decision with the benefit of hindsight, bearing in mind the performance of 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 9.9%. This reflects a 33.9% 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 20.9% as a result of a fall in the value of the underlying investments. This fall is less than the fall in the benchmark index used by the fund managers to monitor their performance.

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 Main Committee approved this report on 26 April 2003.

Dr Geoff Brandwood
Chair

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2002	Total 2001
INCOMING RESOURCES						
<i>Voluntary income:</i>						
Subscriptions		63,873	-	-	63,873	61,466
Donations		15,371	-	-	15,371	3,409
Grants		-	47,413	-	47,413	45,406
Gift Aid		16,533	-	-	16,533	6,440
Legacies	2	40,000	-	-	40,000	23,054
<i>Income from operating activities</i>						
Educational events and publications		92,567	84	-	92,651	123,522
Other income		2,660	-	-	2,660	3,288
<i>Investment income</i>						
Rental income		9,000	-	-	9,000	9,000
Investment income		-	-	1,902	1,902	1,965
Interest		5,337	10,680	-	16,017	17,586
Total incoming resources		245,341	58,177	1,902	305,420	295,136
EXPENDED RESOURCES						
<i>Cost of generating funds</i>						
Fundraising costs		7,805	-	-	7,805	6,571
<i>Cost of charitable activities</i>						
Education (including events and publications)		100,234	17,237	-	117,471	151,055
Architectural conservation		57,740	47,413	-	105,153	91,408
Management and administration		6,938	67	-	7,005	7,304
Total resources expended	3	172,717	64,717	-	237,434	256,338
Net incoming/outgoing resources before transfer		72,624	(6,540)	1,902	67,986	38,798
Transfers	11	1,902	-	(1,902)	-	-
Unrealised gains/(losses)				(11,694)	(11,694)	(9,072)
Net movement of funds		74,526	(6,540)	(11,694)	56,292	29,726
Balance brought forward at 1 January		219,681	291,465	56,043	567,189	537,463
Balance carried forward at 31 December		£294,207	£284,925	£44,349	£623,481	£567,189

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

BALANCE SHEET AT 31 DECEMBER 2002

	Notes	2002	2001
FIXED ASSETS			
Tangible assets	5	123,233	115,724
Investments	6	44,349	56,043
		<u>167,582</u>	<u>171,767</u>
CURRENT ASSETS			
Stock of publications		5,746	5,816
Debtors	7	10,341	9,292
Short term deposits		436,283	370,408
Cash in bank and in hand		33,318	51,779
		<u>485,688</u>	<u>437,295</u>
CREDITORS			
Amounts falling due within one year:	8	<u>21,019</u>	<u>33,368</u>
NET CURRENT ASSETS		464,669	403,927
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>632,251</u>	<u>575,694</u>
CREDITORS			
Amounts falling due after one year	9	8,770	8,505
NET ASSETS		<u>£623,481</u>	<u>£567,189</u>
Represented by:			
FUNDS			
Unrestricted		294,207	219,681
Restricted	10	284,925	291,465
Endowment	11	44,349	56,043
TOTAL FUNDS		<u>£623,481</u>	<u>£567,189</u>

_____ Geoff Brandwood (Chairman)

_____ Andrew Coleman (Hon. Financial Adviser)

on behalf of the Main Committee

Date: 26 April 2003

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002**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 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. 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, and new subscriptions 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 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

In addition to the legacy income recognised in the financial statements, the Society has been advised that it will be entitled to property amounting to £18,000.

3. Total resources expended

	Staff costs	Other direct costs	Other allocated costs	Total 2002	Total 2001
Fund raising costs	3,666	125	4,015	7,806	6,571
Education costs	27,697	72,078	17,695	117,470	151,055
Architectural conservation costs	76,992	10,465	17,695	105,152	91,408
Management and administration	1,341	4,107	1,558	7,006	7,304
	£109,696	£86,775	£40,963	£237,434	£256,338

Costs include:

	2002	2001
	£	£
Auditor's remuneration		
-Audit fee	2,244	2,115
-Accountancy fee for payroll services	644	851
Depreciation	8,720	5,596
Staff costs comprise:		
Wages and salaries	94,092	91,076
Social security costs	8,873	9,002
Pension costs	6,731	4,685

The average number of staff employed during the year, calculated on a full time equivalent basis, was 5 (2001: 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. There were no amounts outstanding or prepaid at the end of the year (2001: £102 outstanding).

4. Transactions with Trustees

Sixteen members of the Main Committee (2001: 10) received reimbursement of their travelling expenses totalling £1,521 (2001: £1,334) in relation to their role on the Committee or on Subcommittees. Three (2001: 2) Mary Heath trustees received similar reimbursement amounting to £67 (2001: £19).

5. Tangible Fixed Assets

	Freehold premises	Office equipment	Furniture & fittings	Total
	£	£	£	£
Cost:				
As at 1 January 2002	92,496	47,850	27,791	168,137
Additions	-	3,893	12,336	16,229
As at 31 December 2002	92,496	51,743	40,127	184,366
Depreciation:				
As at 1 January 2002	-	33,642	18,771	52,413
Charge for year	-	5,638	3,082	8,720
As at 31 December 2002	-	39,280	21,853	61,133
Net book value:				
As at 31 December 2002	£92,496	£12,463	£18,274	£123,233
Net book value:				
As at 31 December 2001	£92,496	£14,208	£9,020	£115,724

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

	2002	2001
Quoted investments:		
Market value at 1 January	56,043	65,115
Additions	-	-
Unrealised valuation (losses)/gains	(11,694)	(9,072)
Market value at 31 December	<u>£44,349</u>	<u>£56,043</u>

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

7. Debtors

	2002	2001
Other debtors		
Income tax recoverable	5,000	5,500
Prepayments	2,297	3,792
Accrued income	3,044	-
	<u>£10,341</u>	<u>£9,292</u>

8. Liabilities: Amounts falling due within one year

	2002	2001
Accruals	6,897	18,928
Deferred income	14,122	14,440
	<u>£21,019</u>	<u>£33,368</u>

9. Liabilities: Amounts falling due after one year

	2002	2001
Life members' subscriptions received in advance	<u>£8,770</u>	<u>£8,505</u>

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

Amount brought forward:		
Due within one year	965	865
Due after one year	8,505	6,430
Additions for the year	1,300	3,200
Taken to income for the year	(1,030)	(1,025)
Closing balance	<u>£9,740</u>	<u>£9,470</u>

The closing balance comprises:

Due within one year	970	965
Due after one year	8,770	8,505
	<u>£9,740</u>	<u>£9,470</u>

10. Restricted Funds

	Pevsner Memorial Essay Fund	Mary Heath Trust	Other	Total
	£	£	£	£
Balance at 1 January 2002	9,296	263,819	18,350	291,465
Received during the year:				
Grants	-	-	47,413	47,413
Interest	325	9,713	642	10,680
Other income	-	84	-	84
	<hr/>	<hr/>	<hr/>	<hr/>
	9,621	273,616	66,405	349,642
Applied during the year	-	6,710	58,007	64,717
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2002	9,621	266,906	8,398	284,925

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.

Other Funds comprises the grant from the estate of the late Jonathan Vickers for an on-going educational project that will be completed in 2003, and grants received and spent during the year from English Heritage (£45,733) and Cadw (£1,680). The balance at the year end is the unspent balance of the Jonathan Vickers grant and is represented by funds on short-term deposit.

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	117,172	6,061	-	123,233
Investments	-	-	44,349	44,349
Net current assets	185,805	278,864	-	464,669
Creditors after one year	(8,770)	-	-	(8,770)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2002	294,207	284,925	44,349	623,481

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 2002 the Society's unrestricted reserves were £62,000 greater than this amount (2001: £5,700). The amount fluctuates from time to time and the Trustees are presently satisfied that no further action is necessary.

13. Lease commitments

At 31 December 2002 the Society had an annual commitment under a non-cancellable lease of £1,739. The lease expires in 2007.

14. 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 Recommend 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 2002***

	2002	2001
Gross income from continuing operations being total income of continuing operations	303,518	293,171
Total expenditure of continuing operations	237,434	256,338
Net income for the year before transfers and gains/losses on investment assets	66,084	36,833
Transfer from endowment funds	1,902	1,965
Net income for the year after transfers	67,986	38,798
Unrealised gain/(loss) on fixed asset investments	(11,694)	(9,072)
Net income for the year	£56,292	£29,726

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 2002 and 2001.

**AUDITORS' REPORT
TO THE TRUSTEES OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2002**

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 2002 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: