

# **THE VICTORIAN SOCIETY**

## Annual Report and Financial Statements

Year Ended 31 December 2003

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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

### *Planning 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 a 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 enabled 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. We received 6,310 notifications of proposals for works to listed buildings (6,419 in 2002). Of these 2,308 related to Victorian or Edwardian buildings (1,966 in 2002), and we gave detailed responses to 635 (601 in 2002). 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. 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 also concerned about 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. Quite how this will work in practice we are not sure: how easy will it be to look at large drawings? Can we see plans as existing and as proposed side by side? How will this work with our casework committees and regional groups? We are liaising with the 'Planning Portal', part of the Planning Inspectorate which is leading the way forward, and we are planning to upgrade our computer facilities to cope.

#### *Supporting local campaigners*

We aim to provide advice and support to local groups undertaking campaigns to save buildings they cherish. We do this by referring them to sources of advice on how to mount campaigns, by advising them on how to get buildings spot-listed and, where appropriate, supporting applications for listing. Frustratingly, lack of resources prevents us from becoming more closely involved or taking up many other cases. In 2004 we will be appointing a Community Engagement Officer, made possible by legacy income, for a trial period of two years. The Officer's job will be 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.

#### *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. We are also a member of Heritage Link. We were of course heavily involved in discussions about *Protecting the Historic Environment: Making the system work better* and a similar consultation in Wales, and we co-ordinated the Joint Committee's response to the *Review of the Pastoral Measure*, and responded to the consultation on the future of the National Monuments Record. In 2004, we will be responding to the *Review of Ecclesiastical Exemption*.

## 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.

#### *Lectures, conferences and study days*

Our lecture series on *Great Foreign Architects*, organised by Michael Hall, and *The Forgotten Forties*, organised by Geoff Brandwood, were very well attended. The lecturers included not only established architectural historians but we were also delighted to be able to give recent graduates an opportunity to make public their work. We held a study day on the history and conservation of cemeteries in memory of our former Chairman, Dr Chris Brooks, who died in 2002. We also held many other lectures in Birmingham, Cambridge, Cardiff, Leicester, Liverpool, Manchester and Sheffield.

#### *Visits*

One of the highlights of the events programme was a private reception at Debenham House, London, now beautifully restored by a sympathetic owner for use as a family home. Our annual general meeting weekend was based in Manchester, looking at the heritage of the cotton industry in Lancashire, expertly organised by our Manchester Group. Other events included: a day visiting buildings by TG Jackson in Oxford with Dr William Whyte, a visit to look at restoration works to All Saints', Margaret Street, London; a weekend in Bath, organised by Hermione Hobhouse; a trip round Anglo-Catholic churches in Walthamstow led by Dr Julian Litten; a day looking at work by

Bodley and Garner in London, led by Michael Hall; a visit to the Dukeries; a day looking at Pugin buildings in Staffordshire; a coach tour of the Lake District; and a walk around Buxton.

### *The Victorian*

We published three issues of the *Victorian* in 2003. In March the theme was Oxford to promote new research on TG Jackson and Basil Champneys, and consider conservation at the coal-face in North Oxford. In July, the theme was South Kensington to promote two new books: Hermione Hobhouse on the 1851 Commissioners and Elizabeth Bonython and Anthony Burton on Henry Cole. In November we celebrated the publication of the *Pevsner Architectural Guide to Bath* with an article on Victorian and Edwardian Bath. We introduced a new section, 'House Notes' providing information for homeowners on how better to care for their Victorian and Edwardian properties. In 2004 for a trial period we will print the magazine in full colour throughout, increasing its attractiveness to both advertisers and readers alike. Our first issue for 2004 was on Brighton and Hove churches under threat, and we hope increasingly to use the *Victorian* to support our campaigns.

## 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 contribute much more to the Society than just their annual subscription. In 2003, Mary Prance received our 'Volunteer of the Year' award in recognition of her many hours of work helping with the casework archive, helping with events, and catering for committee and trustee meetings. We also recruited a volunteer recruiter of volunteers, Colin Bailey, who also helps us with human resource issues and many other tasks. 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 (in 2003 we received £9,248), and sign Gift Aid declarations to maximize the value of their donations and membership subscriptions. Our 2004 appeal to raise funds to restore our headquarters has to date raised almost £20,000. We hope people will remember us when writing their wills: in 2003 we received the final instalment of a legacy worth in total about £78,000 from the Reverend Mr Schofield, £5,188 from Mrs M F E G Christiansen, and £1,500 from Diana Kurzman. Legacy income is vital to the funding of special projects that would otherwise be unaffordable. In 2003 the Society purchased a new membership and events management system at a total cost of £16,320. This long-overdue upgrading of our systems will enable us to improve significantly our efficiency and effectiveness.

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 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, from 25 January 2003)

Andrew Coleman (Hon Financial Adviser)

Jeremy Black (Hon Legal Adviser)

### **Elected Members**

Quentin Alder

Dr Anne Anderson

Samantha Barber

Robin Bluhm (to 25 October 2003)

Dr Martin Cherry

David Wynford Evans

Richard Evans OBE (to 25 October 2003)

Michael Hall

Rosemary Hill

Stephen Howard

Peter Howell

Dr David Low

Ken Moth (from 1 November 2003)

Steve Roman (from 1 November 2003)

Sarah Whittingham

### **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 (to 7 October 2003); Elaine Davey (from 7 October 2003)

*South Yorkshire* Valerie Bayliss CB

*West Yorkshire* Peter Hirschmann

## **STAFF**

**Director** Dr Ian Dungavell

**Senior Architectural Adviser** Dr Richard Holder

**Northern and Welsh Architectural Adviser** David Crellin (to 16 July 2003); Dale Dishon (from 14 July 2003)

**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

**Events Organiser** Katharina Lupnova (to 31 August 2003); Jane Wainwright (from 1 November 2003)

## **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 2003.

### 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 others. The honorary officers comprise 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 are elected by the Board of Trustees annually). Trustees other than the honorary officers are elected for a three-year term of office. Trustees are automatically eligible to stand for a further term of office but only with the approval of the Board of Trustees can 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 meets at least four times a year. Certain of the functions of the Board are delegated to committees that report formally to the Board at each of its meetings. In particular the management of the Society is delegated to the Management Committee, which meets approximately monthly. Day to day management of the Society is delegated to the Director who attends Management Committee meetings.

### Review of developments, activities and achievements

The Annual Review of the Society is set out on pages 3 to 5.

### Financial review

#### *Income and expenditure*

Income for the year was £266,598 in comparison with £305,420 for the previous year, a fall of 13%. Excluding legacy income and other one-off items, total income fell by 8.5%. Subscription income showed an increase year on year as a result of changes in membership subscription levels. Gift Aid was down this year as a result of a change in the timing of claims. Donations were down on the previous year's level as no general appeal was held in 2003. Income from educational events and publications was down by 16% principally as a result of changes in the programme of activities.

Expenditure was £257,705 in comparison with £237,434 for 2002, an increase of 9%. The total was inflated this 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 6%. The majority of this increase was due to a planned increase in caseworker resources as the Northern Architectural Adviser was switched to a full-time basis and a caseworker was taken on to deal with Birmingham and the West Midlands. Changes in staff during the year also had the effect of incurring additional costs during the hand-over periods.

The result of these changes in income and expenditure was to reduce the surplus for the year to £8,893 before unrealised gains and losses on investments, in comparison with £67,986 in 2002. Excluding legacies and other one-off items the outcome was a deficit of £8,219 for the year in comparison with a surplus of £29,255 for the previous year. We were relieved to see an improvement in the value of the Society's investments this year after several years of decline and an unrealised gain of £4,924 was recorded.

Overall this was an acceptable result with lessons to be learned for the future. 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. As in previous years, legacy income will not be used to cover general expenditure but is notionally set aside in reserves to meet the cost of projects that would otherwise simply not be affordable within the Society's resources. In the current year legacy income helped meet the cost of the new membership database which involved capital and revenue expenditure totalling £16,320 as well as essential rewiring of the Society's headquarters. 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 2% during the year. Fixed assets increased by a net £4,896 with additions of £14,423 (principally the capital cost of the new membership database) less depreciation of £9,527. The increase in investments of £4,924 is due to an increase in their value during the year. Net current assets less liabilities due after one year increased by £3,977.

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 Trustees approved this report on 17 April 2004.

Dr Geoff Brandwood  
Chair



## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2003	Total 2002
<b>INCOMING RESOURCES</b>						
<i><b>Voluntary income:</b></i>						
Subscriptions		70,643	-	-	70,643	63,873
Donations		9,248	-	-	9,248	15,371
Grants		-	49,533	-	49,533	47,413
Gift Aid		4,752	-	-	4,752	16,533
Legacies	2	24,895	-	-	24,895	40,000
<i><b>Income from operating activities</b></i>						
Educational events and publications		77,547	13	-	77,560	92,651
Other income		2,976	-	-	2,976	2,660
<i><b>Investment income</b></i>						
Rental income		9,000	-	-	9,000	9,000
Investment income		-	-	1,900	1,900	1,902
Interest		6,748	9,343	-	16,091	16,017
Total incoming resources		205,809	58,889	1,900	266,598	305,420
<b>EXPENDED RESOURCES</b>						
<i><b>Cost of generating funds</b></i>						
Fundraising costs		7,305	-	-	7,305	7,805
<i><b>Cost of charitable activities</b></i>						
Education (including events and publications)		108,778	9,826	-	118,604	117,471
Architectural conservation		65,706	57,171	-	122,877	105,153
Management and administration		8,919	-	-	8,919	7,005
Total resources expended	3	190,708	66,997	-	257,705	237,434
Net incoming/outgoing resources before transfer		15,101	(8,108)	1,900	8,893	67,986
Transfers	11	1,900	-	(1,900)	-	-
Unrealised gains/(losses)				4,924	4,924	(11,694)
Net movement of funds		17,001	(8,108)	4,924	13,817	56,292
Balance brought forward at 1 January		294,207	284,925	44,349	623,481	567,189
Balance carried forward at 31 December		£311,208	£276,817	£49,273	£637,298	£623,481

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

**BALANCE SHEET AT 31 DECEMBER 2003**

	<b>Notes</b>	<b>2003</b>	<b>2002</b>
<b>FIXED ASSETS</b>			
Tangible assets	5	128,129	123,233
Investments	6	49,273	44,349
		<u>177,402</u>	<u>167,582</u>
<b>CURRENT ASSETS</b>			
Stock of publications		7,350	5,746
Debtors	7	6,968	10,341
Short term deposits		463,991	436,283
Cash in bank and in hand		17,960	33,318
		<u>496,269</u>	<u>485,688</u>
<b>CREDITORS</b>			
Amounts falling due within one year:	8	26,173	21,019
		<u>470,096</u>	<u>464,669</u>
<b>NET CURRENT ASSETS</b>		<u>470,096</u>	<u>464,669</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>647,498</u>	<u>632,251</u>
<b>CREDITORS</b>			
Amounts falling due after one year	9	10,200	8,770
		<u>10,200</u>	<u>8,770</u>
<b>NET ASSETS</b>		<u>£637,298</u>	<u>£623,481</u>
Represented by:			
<b>FUNDS</b>			
Unrestricted		311,208	294,207
Restricted	10	276,817	284,925
Endowment	11	49,273	44,349
<b>TOTAL FUNDS</b>		<u>£637,298</u>	<u>£623,481</u>

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

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

on behalf of the Trustees

Date: 17 April 2004

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 2003****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**

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 2003</b>	<b>Total 2002</b>
Fund raising costs	3,801	133	4,985	8,919	7,805
Education costs	29,762	66,870	21,972	118,604	117,471
Architectural conservation costs	88,739	12,166	21,972	122,877	105,153
Management and administration	1,386	3,987	1,932	7,305	7,005
	<b>£123,688</b>	<b>£83,156</b>	<b>£50,861</b>	<b>£257,705</b>	<b>£237,434</b>

Costs include:

	<b>2003</b>	<b>2002</b>
	£	£
Auditor's remuneration		
-Audit fee	2,174	2,244
-Accountancy fee for payroll services	270	644
Depreciation	9,527	8,720
Staff costs comprise:		
Wages and salaries	108,800	94,092
Social security costs	9,795	8,873
Pension costs	5,093	6,731

The average number of staff employed during the year, calculated on a full time equivalent basis, was 5 (2002: 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. An amount of £1,283 was accrued at 31 December 2003 in respect of pension contributions for new joiners to be paid over to the stakeholder scheme in 2004. There were no amounts outstanding or prepaid at the end of the year in 2002.

**4. Transactions with Trustees**

Fifteen Trustees (2002: 16) received reimbursement of their travelling expenses totalling £1,245 (2002: £1,521) in relation to their role as trustees or on committees. No (2002: 3) Mary Heath trustees received reimbursement (2002: £67).

During the year the Society entered into a contract with Spire Books Ltd, a company of which Geoff Brandwood, the Society's Chairman, is a director. Under the terms of the contract the Society paid £677 of publicity costs in return for which the Society's name was associated with the publication, and the Society will receive a royalty on book sales once all publication costs have been met.

**5. Tangible Fixed Assets**

	<b>Freehold premises</b>	<b>Office equipment</b>	<b>Furniture &amp; fittings</b>	<b>Total</b>
Cost:	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 January 2003	92,496	51,743	40,127	184,366
Additions	-	14,423	-	14,423
As at 31 December 2003	<u>92,496</u>	<u>66,166</u>	<u>40,127</u>	<u>198,789</u>
Depreciation:				
As at 1 January 2003	-	39,280	21,853	61,133
Charge for year	-	6,537	2,990	9,527
As at 31 December 2003	<u>-</u>	<u>45,817</u>	<u>24,843</u>	<u>70,660</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>
Net book value:				
As at 31 December 2002	<u>£92,496</u>	<u>£12,463</u>	<u>£18,274</u>	<u>£123,233</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>2003</b>	<b>2002</b>
Quoted investments:		
Market value at 1 January	44,349	56,043
Additions	-	-
Unrealised valuation (losses)/gains	4,924	(11,694)
Market value at 31 December	<u>£49,273</u>	<u>£44,349</u>

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

**7. Debtors**

	<b>2003</b>	<b>2002</b>
Other debtors	2,941	5,000
Prepayments	4,027	2,297
Accrued income	-	3,044
	<u>£6,968</u>	<u>£10,341</u>

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

	<b>2003</b>	<b>2002</b>
Accruals	6,049	6,897
Deferred income	20,124	14,122
	<u>£26,173</u>	<u>£21,019</u>

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

	<b>2003</b>	<b>2002</b>
Life members' subscriptions received in advance	<u>£10,200</u>	<u>£8,770</u>

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

Amount brought forward:

Due within one year	970	965
Due after one year	8,770	8,505
Additions for the year	2,600	1,300
Taken to income for the year	(1,100)	(1,030)

Closing balance	<u>£11,240</u>	<u>£9,740</u>
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The closing balance comprises:

Due within one year	1,040	970
Due after one year	10,200	8,770
	<u>£11,240</u>	<u>£9,740</u>

**10. Restricted Funds**

	<b>Pevsner Memorial Essay Fund</b>	<b>Mary Heath Trust</b>	<b>Other</b>	<b>Total</b>
	£	£	£	£
Balance at 1 January 2003	9,621	266,906	8,398	284,925
Received during the year:				
Grants	-	-	49,533	49,533
Interest	337	9,006	-	9,343
Other income	-	13	-	13
	<u>9,958</u>	<u>275,925</u>	<u>57,931</u>	<u>343,814</u>
Applied during the year	-	15,385	51,612	66,997
Balance at 31 December 2003	<u>£9,958</u>	<u>£260,540</u>	<u>£6,319</u>	<u>£276,817</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 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 a substantially completed educational project, and grants received and spent during the year from English Heritage (£47,808) and Cadw (£1,725). The balance at the year end is the balance of the Jonathan Vickers grant and is represented by funds on short-term deposit and fixed assets.

**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	124,088	4,041	-	128,129
Investments	-	-	49,273	49,273
Net current assets	197,320	272,776	-	470,096
Creditors after one year	(10,200)	-	-	(10,200)
Balance at 31 December 2003	<u>£311,208</u>	<u>£276,817</u>	<u>£49,273</u>	<u>£637,298</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 2003 the Society's unrestricted reserves were £65,000 greater than this amount (2002: £62,000). 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 2003 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 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 2003**

	<b>2003</b>	<b>2002</b>
Gross income from continuing operations		
being total income of continuing operations	264,698	303,518
Total expenditure of continuing operations	257,705	237,434
Net income for the year before transfers and gains/losses on investment assets	<u>6,993</u>	<u>66,084</u>
Transfer from endowment funds	<u>1,900</u>	<u>1,902</u>
Net income for the year after transfers	<u>8,893</u>	<u>67,986</u>
Unrealised gain/(loss) on fixed asset investments	<u>4,924</u>	<u>(11,694)</u>
Net income for the year	<u>£13,817</u>	<u>£56,292</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 2003 and 2002.

**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 2003 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: 17 April 2004