

# Annual Report and Financial Statements

Year Ended 31 December 2005

**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 2005 we received 6,145 notifications of proposals for works to listed buildings (6,509 in 2004). Of these 2,226 related to Victorian or Edwardian buildings (2,373 in 2004), and we gave detailed responses to 353 (521 in 2004). The drop in the number of responses compared to the previous year is the result of an even more focused

targeting of our resources where we believe our response can most make a difference.

Reports on current cases are published in each issue of the *Victorian*, and a detailed list is available on our website or on request.

We welcomed two new caseworkers during 2005. Dr Richard Holder, our Senior Architectural Adviser, retired after having spent 17 years working for the Society. In his place as Southern Architectural Adviser came Dr Kathryn Ferry, who had recently completed her doctorate at Cambridge University on the Victorian architect and decorative artist Owen Jones. Dale Dishon was promoted to Senior Architectural Adviser, and was awarded her doctorate from the University of London in March 2006. Charles Smith, our Churches Officer, left to become Conservation Officer at the Diocese of London. His successor was Edward Kitchen, fresh from completing his MA in the History of Art at the Courtauld Institute. Edward is now called our Historic Churches Adviser.

There are some big challenges ahead for us. Not the least is the advent of 'e-planning', whereby planning applications will be dealt with electronically. In this brave new world, applications will be notified to us via a hyperlink to a local planning authority's website, and our responses will also go back electronically. The huge postbag which arrives daily on our doorstep will be a thing of the past. But large drawings do not work easily on a computer screen, and hard copies will still be required for site visits, so document production will be a problem. We can see the many advantages of e-planning, but we worry that planning authorities may swamp us with notifications, now that it will cost them nothing to inform us electronically.

Our Birmingham and West Midlands Group made a very generous contribution towards the cost of a data projector to help us on our way.

We are still waiting to see how English Heritage's new focus on pre-application discussions will affect our

casework. As we reported last year, this seems a very sensible way to work. But 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 have been disappointed by our grant from English Heritage over the last three years, during which funding for our Churches Officer was cut from £17,000 to nil. So in March 2006 we were thrilled to be offered £43,000 towards the cost of our casework in 2006/7, rising to £45,000 in 2008/9. While this is still below the £48,500 we received in 2003/4, it is a most welcome £4,500 more than 2005/6. In return, English Heritage have asked us to agree with the other national amenity societies on some common casework methodologies and standards.

### *Supporting local campaigners*

Ann Morgan took up the new post of Community Engagement Officer at the beginning of 2005. 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. Ann also refers them to sources of advice on how to mount campaigns, and advises them on how to get buildings spot-listed.

Ann's major achievement in 2005 was organising our *Shaping the Future of Rural Churches* conference, held in York in November. The conference attracted well over 100 delegates and highlighted the problems faced by these churches. She also supported campaigners opposing the government's 'Pathfinder' programme of housing renewal, and worked with local residents on the problem of villas in large plots being demolished or over-intensively developed.

Ann was also involved in the European Country House Project (ECHO), funded by the European Commission, which aimed to find ways of involving local communities in conserving and using country houses across Europe.

Having recognised the need for this post, the Society's trustees agreed to fund it out of legacy income for a trial period of two years. But it is much to the credit of English Heritage that they too saw the importance of this role, and have agreed to contribute £17,000 a year for the next two years, rising to £18,000 in 2008/9.

We also held two training days for regional group caseworkers and members of our buildings committees. Discussion in both focussed on the Society's Casework Review, as well as changes in listing and the review of principles for listing buildings. The first was hosted by our

West Yorkshire Group in Leeds, and was followed by a tour of Leeds Parish Church, a perambulation around the city centre, and a tour of the Round Foundry development in Holbeck Village. The second was held at our office in West London and was followed by a tour of Bedford Park.

#### *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 the Society was even more closely involved with the Joint Committee as our Director, Dr Ian Dungavell, became in addition its Secretary.

In most cases our response to consultations was made through the Joint Committee, but where we had additional points to make or an individual response was desirable we did so independently. We commented on Tessa Jowell's essay, *Better Places to Live*, which aimed to 'energise the debate on the value of the historic environment'.

We are also a member of Heritage Link.

## 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.

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*

Both our lecture series in 2005 were organised by Michael Hall. The first, on *The 1850s*, followed on from that on the 1840s we held in 2003, while the second, entitled *Art for All*, considered art galleries in the nineteenth century from an architectural perspective. In conjunction with the Society for Court Studies, we held a conference on *Courts and Capitals 1815-1914* at

the Wallace Collection. Dr Anne Anderson held a *Beginner's guide to International Arts and Crafts* study day to coincide with the major exhibition at the Victoria and Albert Museum.

#### *Visits*

One of the highlights of the events programme was annual general meeting weekend in Sheffield, organised by our South Yorkshire Group. There was also a weekend visit to the Isle of Man, led by Peter Kelly, caseworker for the Isle of Man Victorian Society and a walking encyclopaedia on everything to do with Manx heritage. There were also day trips to look at the work of EB Lamb in Hertfordshire and Buckinghamshire (led by Anthony Edwards); Ernest Gimson in Leicestershire (led by Richard Holder) the heritage of the water industry (led by Steven Brindle), three remarkable High Victorian country houses in Berkshire and Hampshire (also by Steven Brindle); and a day in Doncaster led by David Crellin. There were too many other events to mention, but some of the other visits and walks included: St Giles Church, Camberwell; Holly Village; Chingford; Trentham; buildings by Alfred Waterhouse in Liverpool; Brunel in South Wales and Bristol; Acocks Green, Birmingham; Buxton; and

Barnsley. Many of these were organised by our regional groups.

We are always looking for more volunteers to help expand the range and quality of our events programme. Please contact Jane Jephcote, our Events Administrator, on 020 8747 5895 or email [events@victoriansociety.org.uk](mailto:events@victoriansociety.org.uk).

#### *The Victorian*

We published three issues of *The Victorian* in 2005, using the magazine to support our campaigns to save buildings. The magazine received a fresh new look when MadelnEarnest took over as designers with the July issue. In March we considered the crisis facing Victorian cemeteries as they struggle with lack of investment and the obsessive march of health and safety regulations, and the need to balance conservation with the expectations of the bereaved. In July, we lamented the neglect of historic buildings in North Wales, leading to the ruination of Gwrych Castle and Hafodunos Hall, and asked if Kinmel Park would be the next Grade I-listed ruin in Conwy. In November we celebrated the completion of the revision of the London 'Pevsners'. Our first issue for 2006 looked at the proposed mass demolition of Victorian terraced housing under the Government's *Pathfinder* programme.

## 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.

Our Community Engagement Officer is also helping us to involve more people in our work. Having organised our *Shaping the Future of Rural Churches* conference in 2005, another on the future of our Victorian schools is planned for 2006. Ann Morgan has also organised *Making a Splash*, our national conference for all those campaigning for historic pools, to be held at the University of London in June.

Our Director was fortunate to be awarded a Churchill Fellowship in 2005. He spent six weeks in the United States and Australia meeting with voluntary organisations campaigning to save historic

buildings, with the aim of discovering any tips and tricks for campaigning and fundraising that would also work in this country. Both the trip and the research leading up to it were extremely valuable and he came back with a number of ideas to increase the opportunities for members to be involved with the work of the Society.

As well as our trustees, officers and committee members, many others give much more to the Society than just their annual subscription. In 2005, Maya Donelan received our 'Volunteer of the Year' award in recognition of her many years' work on organising the Society's events programme. 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. Our

appeal to raise funds to restore our headquarters raised over £23,000 in 2004 and was supplemented by an additional £25,000 including Gift Aid in 2005. But the total cost of the work was almost £85,000. That's why we need people to remember us when writing their wills: legacy income is vital to the funding of special projects that would otherwise be unaffordable.

In 2005, we received £5,000 from the estate of Leslie Basil Butcher and £1,000 from that of Anthony G Kemp. We were also notified that the Society was a beneficiary, jointly with the Georgian Group, in an art collection bequeathed by Eliot Hodgkin subject to the interest of a life tenant. The life tenant has generously decided to release her interest in the collection which will be sold in 2006 to benefit the charities.

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 to 23 July 2005

### 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

## TRUSTEES from 23 July 2005

Dr Geoff Brandwood, Chair  
 Dr Sue Berry, Membership  
 Jeremy Black, Legal  
 Andrew Coleman, Vice Chair, and Finance  
 Alasdair Glass, Non-executive  
 Rosemary Hill, Non-executive  
 Stephen Johnston, Fundraising  
 David Low, Non-executive  
 Ken Moth, Casework  
 Roy Williams, Non-executive

## STAFF

**Director** Dr Ian Dungavell

**Senior Architectural Adviser** Dr Richard Holder (to 31 March 2005); **Southern and Welsh Architectural Adviser** Dr Kathryn Ferry (from 1 May 2005)

**Northern and Welsh Architectural Adviser** Dr Dale Dishon (**Senior Architectural Adviser** from 1 April 2005)

(From 1 January 2006, responsibility for buildings in Wales was transferred to our Southern Architectural Adviser)

**Churches Officer** Charles Smith (to 13 July 2005); **Historic Churches Adviser** Edward Kitchen (from 22 June 2005)

**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); Jane Jephcote (from 1 June 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 2005.

## 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 Society revised its governance arrangements in 2005 following a review in 2004. Changes to the

Society's constitution were approved by an Extraordinary General Meeting of members on 23 April 2005. These changes took effect from the Society's Annual General Meeting on 23 July 2005.

The changes to the constitution are intended to make the Society's corporate governance arrangements more streamlined and effective.

Prior to 23 July the Society had a Board of Trustees, comprising 28 members, which met four times a year. The Board of Trustees delegated detailed decision-making to a Management Committee of 8 members, which met approximately six times a year. The Board of Trustees was very substantially non-executive with only a few trustees actively involved in the work of the Society on a national basis. The Hon Officers (Chair, Vice Chairs, Financial and Legal Advisers) were elected by the Board of Trustees and only the other trustees were elected by members of the Society

Under the new arrangements, it is for the Board of Trustees to determine how many trustees there will be (between a minimum of three and a maximum of 12) and to determine their roles and responsibilities. In addition all trustees are now elected by the members of the Society at the Annual General Meeting.

The Board of Trustees resolved that, with effect from 23 July 2005, the number of trustees would be 10. These trustees consist of the Chair, five additional executive trustees (Casework Capacity\*, Finance, Fundraising\*, Legal, and Membership\*) plus four non-executive trustees with responsibility for scrutinising governance\*\*. [\*= newly-created roles, \*\*=newly focused roles]. Job descriptions for each of these roles have been prepared and arrangements have been put in place to ensure each trustee receives an appropriate level of briefing about the Society and the role of its trustees.

The Board of Trustees met five times during 2005 (twice before the AGM and three times afterwards). Day to day management of the Society is delegated to the Director who attends meetings of the Board of Trustees.

## Review of developments, activities and achievements

The Annual Review of the Society is set out on pages 3 to 7.

## Financial review

### *Income and expenditure*

Income for the year was £309,971 in comparison with £320,360 for the previous year, a decrease of 3.2%. Subscription income increased by 6.3% this year following an increase in subscription rates. Donations were down by 23.4%, partly as a result of a substantial one-off donation in 2004. Members responded very generously in 2005 to the Society's second appeal to carry out overdue and important work on the Society's headquarters in Priory Gardens. Grants were down by 30.9% this year principally due to a substantial one-off grant in 2004 but also because of the decline in the grant from English Heritage for the Society's Churches Officer. Income from educational events and publications was up by 29.1% principally as a result of higher income from the programme of events. Excluding legacy income and other one-off items, total income on a comparable basis rose by 6.2%, primarily due to the effect of the increase in income from educational events.

Expenditure for the year was £394,616 in comparison with £273,276 for 2004, an increase of 44.4%. The size of the total expenditure this year was heavily impacted by the cost of the external repair works at the Society's headquarters at Priory Gardens. No external repairs had been carried out for nearly 30 years and this puts the cost of the work, at £84,950, into context.

Excluding one-off items, expenditure on a like for like basis increased by 13.3%. About half of this increase relates to increases in the cost of educational events, corresponding to the increase in revenue from this source. To see how well the Society is managing its core costs, you need to exclude educational event costs from the year on year comparison. Making this adjustment shows that costs increased by 8.1%. Of this increase 5.1 percentage points is attributable to the decision to increase staff numbers in 2005 by taking on a Community Engagement Officer and the balance of 3.0 percentage points represents a number of other factors including the effects of inflation on the cost base.

Taking into account income and expenditure, the Society realised a deficit of £84,645 for the year before unrealised gains on investments. This compares with a surplus of £47,084 in 2004. On a like for like basis, excluding one-off factors, the deficit was £30,758 in 2005 and £10,756 in 2004.

We were pleased to see a further improvement in the value of the Society's investments this year by £8,329.

Overall the result for the year was in line with our expectations. The Society continues to face a considerable challenge in raising sufficient income to meet its recurring level of expenditure. There is no indication that the threats facing the Victorian and Edwardian built environment are likely to diminish and accordingly the Society must maintain and even increase its level of effort. Securing the funding necessary for this will not be easy.

It has been the Society's policy that legacy income is not 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 a decrease of 11.1% during the year. This is the impact of the deficit of income against expenditure for the year of £84,645 mitigated by the unrealised gains on investments of £8,329 explained above.

Fixed assets decreased by 7.9% as depreciation exceeded the cost of additions for the year. The increase in investments of 15.8% is due to an increase in their value during the year. Net current assets less liabilities due after one year decreased by 14.7% showing the impact (especially on funds on short term deposit) of paying out more money than the Society took in 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. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditors**

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

The Board of Trustees approved this report on 1 April 2006.

Dr Geoff Brandwood, Chair

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2005	Total 2004
<b>INCOMING RESOURCES</b>						
<i><b>Voluntary income:</b></i>						
Subscriptions		74,830	-	-	74,830	70,373
Donations		6,296	20,113	-	26,409	34,490
Grants		1,580	42,196	-	43,776	63,370
Gift Aid		15,103	4,950	-	20,053	19,011
Legacies	2	6,000	-	-	6,000	18,553
<i><b>Income from operating activities</b></i>						
Educational events and publications		104,289	-	-	104,289	80,787
Other income		2,718	-	-	2,718	2,073
<i><b>Investment income</b></i>						
Rental income		9,000	-	-	9,000	9,000
Investment income		-	-	1,885	1,885	1,869
Interest		9,479	11,532	-	21,011	20,834
Total incoming resources		229,295	78,791	1,885	309,971	320,360
<b>EXPENDED RESOURCES</b>						
<i><b>Cost of generating funds</b></i>						
Fundraising costs		6,555	1,351	-	7,906	8,430
<i><b>Cost of charitable activities</b></i>						
Education (including events and publications)		134,075	19,904	-	153,979	126,176
Architectural conservation		136,273	89,358	-	225,631	130,955
Management and administration		6,603	497	-	7,100	7,715
Total resources expended	3	283,506	111,110	-	394,616	273,276
Net incoming/(outgoing) resources before transfer		(54,211)	(32,319)	1,885	(84,645)	47,084
Transfers	11	1,885	-	(1,885)	-	-
Unrealised gains/(losses)		-	-	8,329	8,329	3,292
Net movement of funds		(52,326)	(32,319)	8,329	(76,316)	50,376
Balance brought forward at 1 January		326,840	308,269	52,565	687,674	637,298
Balance carried forward at 31 December		£274,514	£275,950	£60,894	£611,358	£687,674

The Accounting Policies and the Notes on pages 12 to 16 form part of these Financial Statements.

**BALANCE SHEET AT 31 DECEMBER 2005**

	Notes	2005	2004
<b>FIXED ASSETS</b>			
Tangible assets	5	122,664	133,128
Investments	6	60,894	52,565
		<u>183,558</u>	<u>185,693</u>
<b>CURRENT ASSETS</b>			
Stock of publications		10,199	11,620
Debtors	7	17,389	25,545
Short term deposits		412,938	485,547
Cash in bank and in hand		26,619	16,595
		<u>467,145</u>	<u>539,307</u>
<b>CREDITORS</b>			
Amounts falling due within one year:	8	<u>30,960</u>	<u>28,016</u>
<b>NET CURRENT ASSETS</b>		436,185	511,291
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>619,743</u>	<u>696,984</u>
<b>CREDITORS</b>			
Amounts falling due after one year	9	8,385	9,310
<b>NET ASSETS</b>		<u>£611,358</u>	<u>£687,674</u>
Represented by:			
<b>FUNDS</b>			
Unrestricted		274,514	326,840
Restricted	10	275,950	308,269
Endowment	11	60,894	52,565
<b>TOTAL FUNDS</b>		<u>£611,358</u>	<u>£687,674</u>

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

\_\_\_\_\_  
Andrew Coleman (Finance Trustee)

on behalf of the Trustees  
Date: 1 April 2006

The Accounting Policies and the Notes on pages 12 to 16 form part of these Financial Statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 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 charity 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

In addition, during 2005 the Society was informed that it was a beneficiary, jointly with the Georgian Group, in a collection of art bequeathed by Mr Eliot Hodgkin subject to the interest of a life tenant. The life tenant has generously decided to release her interest in the collection and accordingly the collection is to be sold during 2006 to benefit the two charities. No proceeds from the Hodgkin bequest have been recognised in these accounts since none of the works has yet been sold and it is not possible to estimate their net realisable value with reasonable accuracy.

**3. Total resources expended**

	<b>Staff costs</b>	<b>Other direct costs</b>	<b>Other allocated costs</b>	<b>Total 2005</b>	<b>Total 2004</b>
Fund raising costs	4,257	-	3,649	7,906	8,430
Education costs	33,581	91,546	28,852	153,979	126,176
Architectural conservation costs	112,300	13,984	99,347	225,631	130,955
Management and administration	1,557	4,201	1,342	7,100	7,715
	<b>£151,695</b>	<b>£109,731</b>	<b>£133,190</b>	<b>£394,616</b>	<b>£273,276</b>

Costs include:

	<b>2005</b>	<b>2004</b>
	£	£
Auditor's remuneration		
-Audit fee	2,300	2,432
-Accountancy fee for payroll services	210	342
Depreciation	12,286	12,640
Staff costs comprise:		
Wages and salaries	133,531	118,972
Social security costs	11,858	12,549
Pension costs	6,306	4,725

The average number of staff employed during the year, calculated on a full time equivalent basis, was 6 (2004: 5). No staff member 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**

14 Trustees (2004: 13) received reimbursement of their travelling expenses totalling £1,576 (2004: £1,562) in relation to their role as trustees or on committees. No Mary Heath trustees received reimbursement either in 2005 or 2004.

**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 2005	92,496	48,363	40,563	181,422
Additions	-	1,822	-	1,822
Disposals	-	-	-	-
As at 31 December 2005	<b>92,496</b>	<b>50,185</b>	<b>40,563</b>	<b>183,244</b>
Depreciation:				
As at 1 January 2005	-	20,484	27,810	48,294
Charge for year	-	9,577	2,709	12,286
Disposals	-	-	-	-
As at 31 December 2005	<b>-</b>	<b>30,061</b>	<b>30,519</b>	<b>60,580</b>
Net book value:				
As at 31 December 2005	<b>£92,496</b>	<b>£20,124</b>	<b>£10,044</b>	<b>£122,664</b>
Net book value:				
As at 31 December 2004	<b>£92,496</b>	<b>£27,879</b>	<b>£12,753</b>	<b>£133,128</b>

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>2005</b>	<b>2004</b>
Quoted investments:		
Market value at 1 January	52,565	49,273
Additions	-	-
Unrealised valuation (losses)/gains	8,329	3,292
Market value at 31 December	<u>£60,894</u>	<u>£52,565</u>

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

**7. Debtors**

	<b>2005</b>	<b>2004</b>
Other debtors	4,116	2,355
Prepayments	6,380	3,860
Accrued income	6,893	19,330
	<u>£17,389</u>	<u>£25,545</u>

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

	<b>2005</b>	<b>2004</b>
Accruals	9,856	8,915
Deferred income	21,104	19,101
	<u>£30,960</u>	<u>£28,016</u>

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

	<b>2005</b>	<b>2004</b>
Life members' subscriptions received in advance	<u>£8,385</u>	<u>£9,310</u>

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

Amount brought forward:		
Due within one year	985	1,040
Due after one year	9,310	10,200
Additions for the year	-	100
Taken to income for the year	(985)	(1,045)
Closing balance	<u>£9,310</u>	<u>£10,295</u>

The closing balance comprises:

Due within one year	925	985
Due after one year	8,385	9,310
	<u>£9,310</u>	<u>£10,295</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 2005	9,998	258,711	16,378	23,182	308,269
Received during the year:					
Grants	-	-	42,196	-	42,196
Donations	-	-	-	20,113	20,113
Gift Aid	-	-	-	4,950	4,950
Interest	40	11,492	-	-	11,532
	<u>10,038</u>	<u>270,203</u>	<u>58,574</u>	<u>48,245</u>	<u>387,060</u>
Applied during the year	-	(14,622)	(48,243)	(48,245)	(111,110)
Balance at 31 December 2005	<u>£10,038</u>	<u>£255,581</u>	<u>£10,331</u>	<u>£-</u>	<u>£275,950</u>
Comprising:					
Fixed assets	-	-	8,053	-	8,053
Debtors	-	-	-	-	-
Funds on short term deposit	10,038	254,057	-	-	264,095
Cash at bank	-	1,524	2,278	-	3,802
	<u>£10,038</u>	<u>£255,581</u>	<u>£10,331</u>	<u>£-</u>	<u>£275,950</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. A grant was also received from Cadw.

Donations comprise amounts received for the appeal for Priory Gardens repairs in 2004 and 2005. The repairs were 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	114,611	8,053	-	122,664
Investments	-	-	60,894	60,894
Net current assets	168,288	267,897	-	436,185
Creditors after one year	(8,385)	-	-	(8,385)
Balance at 31 December 2005	<u>£274,514</u>	<u>£275,950</u>	<u>£60,894</u>	<u>£611,358</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 2005 the Society's unrestricted reserves were £4,000 greater than this amount (2004: £42,000). 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 2005**

	<b>2005</b>	<b>2004</b>
Gross income from continuing operations		
being total income of continuing operations	308,086	318,491
Total expenditure of continuing operations	394,616	273,276
Net income for the year before transfers and gains/losses		
on investment assets	(86,530)	45,215
Transfer from endowment funds	1,885	1,869
Net income for the year after transfers	(84,645)	47,084
Unrealised gain/(loss) on fixed asset investments	8,329	3,292
Net income for the year	<u>£(76,316)</u>	<u>£50,376</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 2005 and 2004.

# Independent auditors' report

## TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2005

We have audited the financial statements on pages 10 to 16 which have been prepared on the basis of the accounting policies set out on page 12. This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The trustees, who are also the directors of The Victorian Society for the purposes of company law, are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards as set out in the Statement of Trustees' Responsibilities on page 9.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed. We read the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the charity as at 31 December 2005 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 Companies Act 1985.

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

Date: 1 April 2006