

Annual Report and Financial Statements

Year Ended 31 December 2006

**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

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

People

Patron

HRH The Duke of Gloucester KG, GCVO

President

Lord Briggs of Lewes

TRUSTEES

Dr Geoff Brandwood, *Chair*
Dr Sue Berry, *Membership*
Jeremy Black, *Legal*
Andrew Coleman, *Vice Chair, and Finance*
Dr Colin Cunningham, *(co-opted 2 December 2006)*
Kate Davey *(co-opted 5 October 2006)*
Alasdair Glass, *Non-executive*
Rosemary Hill, *Non-executive*
Stephen Johnston, *Fundraising*
Dr David Low, *Non-executive*
Ken Moth, *Casework*
Roy Williams, *Non-executive*

REGIONAL GROUP CHAIRS

Birmingham Barbara Shackley
Great Eastern John Shaw-Ridler
Leicester Jon Goodall
Liverpool Graham Fisher
Manchester Steve Roman
South Wales Elaine Davey
South Yorkshire Valerie Bayliss CB
West Yorkshire Peter Hirschmann

EVENTS COMMITTEE

Michael Hall, *Chairman*
Dr Sue Berry
Dr Geoff Brandwood
Maya Donelan
Yvonne Pines
Jane Wainwright

NORTHERN BUILDINGS COMMITTEE

Ken Moth, *Chairman*
John Archer
Jules Brown
Alan Davies
Merial Evans
Andy Foster
Michael Green
Dr Chris Hammond
Ruth Harman
Dominic Roberts
Rowan Roenisch
Kathryn Sather
Joseph Sharples
Richard Tinker
Rebecca Waddington

SOUTHERN BUILDINGS COMMITTEE

John Scott (*Chairman from September 2006*)
Dr Geoff Brandwood
Dr Steven Brindle
Timothy Brittain-Catlin
Humphry Crum Ewing
Dr Edward Diestelkamp
Dr Brent Elliott
David Evans
Dr William Filmer-Sankey
Alec Forshaw
Maggie Goodall
Elain Harwood
Peter Howell
David Lloyd
Brian Morton MBE
Jeremy Musson
Ken Powell
Mark Price
Professor Andrew Saint (*Chairman to August 2006*)
Teresa Sladen

STAFF

Director Dr Ian Dungavell
Senior Architectural Adviser Dr Kathryn Ferry (to 30 April 2007)
Northern Architectural Adviser Edward Kitchen (from 1 August 2006)
Historic Churches Adviser Edward Kitchen (to 8 September 2006); David Garrard (from 11 September 2006)
Birmingham and West Midlands Architectural Adviser Mary Worsfold (to 14 July 2006); Tim Bridges (from 1 October 2006)
Community Engagement Officer Ann Morgan
Administrator Richard Seedhouse
Events Administrator Jane Jephcote

BANKERS

Barclays, Hammersmith Business Centre Group, London W6 9HY
COIF Charities Funds, 80 Cheapside, London EC2V 6DZ

AUDITORS

Derek Rothera and Company, Units 15&16, 7 Wenlock Road, London N1 7SL

Introduction

The Victorian Society is the champion for Victorian and Edwardian buildings in England and Wales. Our aims are:

- **CONSERVING:** to save Victorian and Edwardian buildings or groups of buildings of special architectural merit from needless destruction or disfigurement.
- **INVOLVING:** to awaken public interest in, and appreciation of, the best of Victorian and Edwardian arts, architecture, crafts and design;
- **EDUCATING:** to encourage the study of these and of related social history and to provide 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

The aims are linked, and through involving and educating the public, we can increase the likelihood of conserving buildings.

Conserving

‘Saving from needless destruction or disfigurement Victorian and Edwardian buildings or groups of buildings of special architectural merit’

Saving buildings

Changes to listed buildings must be approved by local planning authorities or denominations that have been exempted from local planning control. We want to help local planning authorities and churches make better decisions about adapting Victorian and Edwardian buildings to the way we live now, while keeping what is special about them.

To do this, we comment on applications for listed building consent or faculty. We have a formal role in the planning system by virtue of the Secretary of State’s direction in *Arrangements for Handling Heritage Applications — Notification to National Amenity Societies* (ODPM Circular 09/2005) that we must be notified of all applications for Listed Building Consent that involve an element of demolition. When determining applications, local planning authorities must take our response into account, but they are not obliged to follow our recommendations. We also have 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.

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 architectural advisers, our buildings 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 architectural advisers based in London, but we rely on volunteers around the country for a great deal of our work. Our regional groups in Birmingham, Leeds and Leicester respond to applications for listed building consent in their areas, buoyed by considerable local knowledge. A legacy from Mary Heath, a former member, enables us to employ a Birmingham and West Midlands Architectural Adviser for three days per week to work alongside volunteers in that area.

During the year our Senior Architectural Adviser, Dr Dale Dishon, left us to join English Heritage. Edward Kitchen, our Historic Churches Adviser, took over her role as Northern Architectural Adviser, while Dr Kathryn Ferry was promoted to Senior Architectural Adviser. We welcomed David Garrard as our new Historic Churches Adviser. We also bade farewell to Mary Worsfold, our Birmingham and West Midlands Architectural Adviser, who left us to become a conservation officer, and in her place we welcomed Tim Bridges. Our volunteers tend to change less frequently than our staff, but during the year Dr Sue Powell stepped down as West Yorkshire Group caseworker after many years, handing over to Richard Tinker.

Local authorities are required to notify us of the decisions they take on listed buildings consent applications. But so few do this that it is impossible for us to compile meaningful statistics on the results of those applications on which we comment. We try to influence proposals before they are submitted through

pre-application discussions with developers and parishes and, when opposing a proposal, we try if appropriate to work in partnership with residents and other interested parties. Through publicising our position on individual cases, we hope to increase awareness of the need to work sensitively with historic buildings. Over 90% of applications for listed building consent are approved, so our success is not to be measured by counting the ones that are not; indeed, it may just be the opposite. Our work is best understood by reading the reports on current cases which are published in each issue of our magazine, *The Victorian*.

Some particular themes emerged from our casework during the year which we highlighted through wider campaigns as well as letters on individual buildings. These focused on Victorian and Edwardian swimming pools, schools and seaside resorts, all of which are in the public eye at the moment, and so received great attention in the media. Mere counting of cases on which we have commented 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 2006 we received 6,232 notifications of proposals for works to listed buildings (6,145 in 2005). Of these 2,179 related to Victorian or Edwardian buildings (2,226 in 2005), and we gave detailed responses to 343 (353 in 2005).

We receive a grant towards our statutory casework from English Heritage, which has committed funding until March 2009. We will review this programme at the time we reapply for the grant. In 2007 we plan to collect data about our response times in order to counter the erroneous view that consultation with amenity societies causes delay within the planning system.

Influencing policy

We also try to influence government policies on planning and the historic environment which have an impact on Victorian and Edwardian buildings and conservation areas. We do this through our participation in the Joint Committee of National Amenity Societies and as a member of Heritage Link, as well as through direct engagement when appropriate. We usually respond to government consultations through the Joint Committee of the National Amenity Societies, where broader policy issues form a major part of the discussions, or through Heritage Link, but if there are particular points we can make which relate specifically to Victorian and Edwardian buildings then we will do so directly. The Society's Director, Dr Ian Dungavell, has also been Secretary of the Joint Committee since April 2005.

We gave written and oral evidence to the Culture, Media and Sport Committee on *Protecting, preserving and making accessible our nation's heritage*. Among the consultations the Joint Committee responded to were *Conservation Principles* (English Heritage); *Listed Building Casework* (ODPM); *English Heritage Peer Review*; *Changes to the Mayor of London Order 2002* (DCLG). We have also been much involved in discussions about the Heritage Protection Review, which culminated in a white paper, *Heritage Protection for the 21st Century*, published in March 2007. We look forward to commenting on its proposals.

Coping with e-planning

We have continued our investigations into how best to work with 'e-planning'. In this brave new world, we will be notified of applications via email, and our responses will 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.

Together with the other national amenity societies we conducted an 'e-planning trial' with a limited number of local authorities so as to be better prepared for the new system. It became clear that the biggest problem was that each local authority worked in a different way, and their systems had often been developed for their internal convenience rather than for their consultees. It is, for example, essential to us that local authorities include a copy of the list description with the notification.

As we deal with local authorities throughout England and Wales, our only hope of coping with the anticipated digital deluge is by agreeing workable national standards governing the content and format of 'e-notifications'. Unfortunately, government funds for e-planning arrived before the standards had been developed, but by being able to compare the approach of a number of local authorities it has become clearer what they should be. We have been closely involved with the Planning and Regulatory Services Online (PARSOL) Planning National Project which has been developing best practice guidance, and developing a business case for a national e-consultation service. We have also been involved in the E-Planning Statutory Consultees Group convened by the Environment Agency which hopes to agree a set of standards that will suit all the statutory consultees. We will continue this work in 2007.

Involving

'Awakening public interest in, and appreciation of, the best of Victorian and Edwardian arts, architecture, crafts and design'

A focus for special people

The Victorian Society provides a focus for everyone interested in Victorian and Edwardian architecture and related arts. We maintain our loyal base of almost 3,300 members who support us by happily paying annual subscriptions, contributing £74,000 to our conservation and educational work in 2006. While the number of members has remained constant over recent years, with a low 'churn' rate, we are always considering ways to attract more, while retaining the ones we have got. We conducted a postal survey of members to which an amazing 16% responded, and during 2007 we will analyse the responses and consider what actions we might take as a result.

Engaging the public is about a lot more than just money, but financial contributions are one indicator of support for our work. 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. In 2006, Gift Aid added £19,283 to our funds. Our appeal to restore our headquarters raised over £74,000 since 2004.

Last year we reported that we had been notified that we were a beneficiary, jointly with the Georgian Group, in an art collection bequeathed by Eliot Hodgkin subject to the interest of a life tenant. We are thrilled to report that the life tenant generously decided to release her interest in the collection, most of which was sold at Christie's during the year, and brought us a net total of £169,980. The Society's trustees are carefully considering how best to apply this income in support of our charitable aims.

Legacy income is vital to the funding of special projects that would otherwise be unaffordable. That's why we need people to remember us when writing their wills. If you would like to support our work by joining, making a donation, or remembering us in your will, please telephone 020 8747 5890.

Volunteering

We recognise that individual circumstances may prevent people getting more actively involved in the Society, and are very grateful that they choose to support us financially instead. But donations of time and expertise are very valuable to us. As the expert voice of the community on Victorian and Edwardian architecture, we rely on volunteers around the country for their specialist knowledge and their willingness to help get things done.

Volunteers are central to our work. They contribute their expertise by assessing applications for listed building consent in our buildings committees, they organise our educational programme and as trustees they oversee the strategic direction and day-to-day operation of the Society. They are also invaluable event stewards, letter-stuffers, stamp-fixers and washer-uppers. Thanks to the Hounslow Volunteer Bureau, we have recruited helpers from outside the membership of the Society, some of whom go on to join. Our committee members alone contribute well over 900 hours of free advice a year, and there are many days when the volunteers in the office outnumber the staff. This work, together with those organising events for us, comes to many more hundred hours a year. In 2007 we will work on further measures to help quantify volunteer input.

Community Engagement: Supporting local campaigners

As well as our own work, we also want to help people fight their own campaigns to save the buildings they value. In this way, our 'national community' can help support local ones. We do this by providing advice and support through our Community Engagement Project and, where appropriate, we work directly with local people on their campaigns: 'capacity building' in vogueish government parlance. We have written advice on how to mount campaigns and how to get buildings spot-listed, and we know from feedback that people find this guide more user-friendly than the official published advice. One example: our involvement with Bonner Street School in London helped draw national press and media attention to the campaign waged by local residents against its demolition, and we were very pleased that Dr Simon Thurley, Chief Executive of English Heritage, mentioned it (as well as the campaign to save Kentish Town Baths) in his speech to launch the 2006 *Heritage Counts*.

As part of the redesign of our website in 2007, we plan to review our guidance notes with the aim of making them easier to find and even easier to use. We will also be able to monitor the number of times they are consulted.

Community Engagement: Contributing a national context

We also try to support local people by helping to put their campaigns for Victorian and Edwardian buildings in a national context. In 2006 we concentrated on swimming pools and schools, organising two major national conferences, *Making a Splash: the National Pool Campaigners' Conference* and *Learning from the Past: the future of historic school buildings*, both of which drew on individual campaigns to put the issues on the national stage. They also provided an opportunity for campaigners to meet each other and share their experiences. Reports of both conferences are available on our website. We also devoted issues of our magazine, *The Victorian*, to these subjects; pools in July 2006 and schools in March 2007. In 2007 we plan to continue our campaign for Victorian and Edwardian schools against the background of the government's *Building Schools for the Future* capital investment programme which favours new buildings over refurbished ones. We will also consider new campaigns focusing on threats to the heritage arising from the disposal of public assets such as former town halls, hospitals and asylums.

Community Engagement: Letting people know what's going on

We know that many people place a high value on the Victorian and Edwardian buildings around them. But they often find out about threats once it's too late to save a building, or they wrongly assume that they're a minority in caring. That's why it's so important to publicise campaigns to save these buildings, whether led by us or other groups. As soon as people hear about the threats to one building, half a dozen similar cases come to light. We have helped many people with advice on gaining media attention and writing press releases, helped by our own experience. Our campaign to save Undershaw in Surrey, the home of Arthur Conan Doyle, shows how press coverage can kick start a campaign, drawing letters of objection from around the world. As well as the local press, it generated a full page article in the *Guardian*, mentions in all the national papers as well as articles in papers as far afield as *Pravda* and *Il Giornale* (Milan). In 2006, we issued over 70 press releases, leading to over 280 articles in both national and local newspapers mentioning our campaigns, and we made several appearances on television and radio.

We also held two 'Memory Days' in connection with the campaign to save Kentish Town Baths, London, during which we asked local people for their thoughts about the building. Having spent an afternoon at the baths and a whole day on a stall at the local street market, we were exhilarated at the level of support for the building. It proved to be an issue contributing to the overthrow of the council at the local elections. We plan to continue developing our relationships with journalists and working on other ways of attracting public attention to our campaigns.

It is much to the credit of English Heritage that they understood the importance of our Community Engagement Project, and we are very pleased that they will contribute half its funding up to a maximum of £17,000 a year until 2009. The project will be reviewed before the grant expires.

Educating

'Encouraging the study of Victorian and Edwardian architecture and of related social history'
'Advising owners and public authorities about the preservation and repair of Victorian and Edwardian buildings and the uses to which they can, if necessary, be adapted'

We believe that the better people understand their Victorian and Edwardian heritage, the more they will value and seek to look after it. Our education programme includes walks, visits, lectures and conferences, many of which are organised by our regional groups, on an astonishing variety of subjects. Unfortunately limitation of space precludes us from mentioning all of them.

Lectures, conferences and study days

Our winter lecture series was on the architecture of the 1860s, continuing our decade by decade architectural progress through the reign of Queen Victoria, while in the autumn series organised by Andrew Saint and Teresa Sladen was on *Late Victorian and Edwardian Churches*. Dr Geoff Brandwood, our Chairman, proved he could organise a very successful study day in a brewery with *From Hop to Hostelry: the brewing and licensed trades 1837-1914*, while Dr Sue Berry led a day on *The Victorian and Edwardian Seaside*. Our Great Eastern Group organised a study day on *Victorian and Edwardian Suburbs* in Cambridge. Dr Martin Cherry gave this year's *Brian Allison Memorial Lecture*, organised by our Leicester Group, on the subject of Ewan Christian. As part of our campaigns, we also organised two national conferences: *Making a Splash*, to help establish a national network for pool campaigners; and *Learning from the Past*, exploring the

future of historic school buildings in the face of the government's massive school building programme. There were many other lectures too numerous to mention

Visits

One of the highlights of the events programme was the annual general meeting weekend in Llandudno, Britain's best preserved Victorian seaside resort, organised by Geoff Brandwood, Graham Fisher and Peter Howell. It was part of our *Holiday at Home* series of events designed to highlight the continuing delights of Victorian and Edwardian seaside resorts. This included excellent weekends in Scarborough and Great Yarmouth expertly led by Dr Kathryn Ferry, our Senior Architectural Adviser. The series also included a trip to look at churches in Bournemouth led by Dr Simon Bradley, walks round Brighton and Hove led by Dr Sue Berry and around Eastbourne led by Richard Crook, not to mention the Liverpool Group's trip to Southport, led by Nick Roe, and Manchester Group's day trip to Blackpool with Peter De Figuereido.

Our planned weekend in Furness and the South Lakes was overshadowed by the untimely death of its organiser, David Crellin, a stalwart of our Events Committee and formerly our Northern and Welsh Architectural Adviser, but David's meticulous planning meant that Geoff Brandwood was able to take it over at the last minute and transform it into a memorial event. Other day trips were to the Derwent Valley Mills; Leek and Cheddleton led by Nick Roe; and to Bolton, looking at Lord Leverhulme's influence on its development, led by Michael Shippobottom and Matthew Hyde.

There were too many other events to mention, but some of the other visits and walks included: Paddington Station, Stonyhurst College, Caldey Island, the Speaker's House at the Palace of Westminster, Woodford Green, Birmingham, Streatham, Brompton Cemetery, Smithfield, Sheffield city centre, Richmond, Mapesbury, Southwark and Borough. Many of these were organised by our regional groups. In 2006 the Society held 39 individual lectures, six study days, five weekends away, nine day trips and 39 visits or walks, a total of 98 events or on average two events per week around the country.

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.

Encouraging the next generation of experts

Our network of experts is important to us, which is why we offer free membership of the Society to students registered for MPhil or PhD degrees on topics related to Victorian and Edwardian architecture. We want to be aware of current research in the field and give new scholars opportunities to disseminate their research to a wider audience. Current or former beneficiaries have lectured for us, organised visits and written articles for our magazine. At the end of 2006 we had 12 students registered under this scheme, many of whom were well advanced in their degrees. We hope to recruit a new crop in 2007 with a renewed publicity campaign, and we will consider extending the scheme to include students registered at institutions outside the United Kingdom.

The Victorian

We published three issues of our magazine, *The Victorian*, in 2006, edited by Liz Robinson. In March we asked whether the Victorian terraced house was again an endangered species, considering the government's *Pathfinder* programme of housing market renewal. In July, we looked at the history and future of Victorian and Edwardian swimming pools, and published a depressing survey of the state of listed pools in England: neglect by their owners (generally local authorities) was most often to blame for the appalling result. In November we took off to the seaside, trying to pin down just what it is that makes Victorian and Edwardian seaside resorts so special.

Advice to homeowners

We provide information to owners of Victorian and Edwardian houses about how they can better look after them through our publications, the *Care for Victorian Houses* series of booklets and the *Victorian Society Book of the Victorian House*. In 2006, we sold 892 booklets (1117 in 2005) and 513 copies of the book (657 in 2005). In 2007 we reduced substantially the price of the complete set of 9 booklets, leading to sales of 641 booklets in the first quarter alone.

Structure, governance and management

Structure

The Victorian Society is a registered charity and a company limited by guarantee. It is governed by a memorandum and articles of association.

Governance

The Society is managed by a Board of Trustees. The trustees are also the directors of the charity for the purposes of the Companies Act. Each Trustee has a designated executive or non-executive role. All trustees are required to be members of the Society. Trustees are recruited on the basis of skills needs identified by the Board of Trustees. A variety of methods is used to identify suitable candidates. Trustees are elected by the members of the Society at the Annual General Meeting normally for a term of office of 3 years. Trustees are automatically eligible for re-election for one further consecutive term and, if the Board of Trustees so approves their candidature, are eligible for re-election to further consecutive terms of office. The Board of Trustees has the power to co-opt members during the year but these members must stand for re-election at the next Annual General Meeting.

Trustees are given an induction pack on joining the Board and are encouraged to identify gaps in their knowledge, which are then addressed by briefings or other training delivered to some or all of the trustees as appropriate. The role of each trustee is defined in a job description.

Management

The Board of Trustees comprises 10 members and meets formally six times a year. Members of the Board individually or in small groups also act to take forward the Society's plans. Day to day management of the Society is delegated to the Director who attends meetings of the Board of Trustees. The Society benefits from a Northern and a Southern Buildings Committee of experts who meet to advise the Society on architectural and casework matters.

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.

Financial review

Income and expenditure

Income for the year was £489,315 in comparison with £309,971 for the previous year, an increase of 58%. The principal reason for the increase was the Society's share of proceeds of the Eliot Hodgkin bequest, amounting to £169,980. Excluding legacies, income for the year would have increased by 5%. Subscription income at £74,187 was about the same as the previous year. Donations at £25,032 were down by 5.2%, but members responded very generously to the Society's third appeal for funds to meet the cost of the external repair work on the Society's headquarters in Priory Gardens. Grants at £57,177 were up by 30.6% this year as a result of the revised grant from English Heritage which includes a contribution to the Society's Community Engagement Project. Gift Aid at £19,283, 3.8% down on last year, makes a valuable contribution to the Society's finances and we would encourage all members who have yet to complete a Gift Aid form in favour of the Society to do so. Income from educational events and publications at £106,648 was up by 2.3% principally as a result of higher income from the programme of events. Investment income showed a return of 3.1% on the Society's long term investments and a return of 4.5% on its short term deposits.

Excluding legacy income and other one-off items, total income on a comparable basis rose by 6.6%, primarily due to the effect of the increase in grant income.

Expenditure for the year was £315,411 in comparison with £394,616 for 2005, a decrease of 20%. The reason for the decrease was the one-off cost of major repairs to the Society's headquarters at Priory Gardens in 2005. Excluding this, expenditure on a like for like basis increased by 1.9% in 2006. Staff costs account for nearly 50% of total costs and at £153,639 showed an increase of 1.3% in the year. This increase was below the level of the pay award during the year as a result of staff changes. The proportion of

expenditure accounted for by charitable expenditure was over 96%, showing how efficiently the charity operates.

Taking into account income and expenditure, the Society realised a surplus of £173,904 for the year before unrealised gains on investments. This compares with a deficit of £84,645 in 2005. On a like for like basis, excluding one-off factors, there was a deficit of £18,013 for the year in comparison with a deficit of £30,758 in 2005.

We were pleased to see a further improvement in the value of the Society's investments this year by £6,143.

Overall the result for the year was a little better than our expectations. The Society continues to face a considerable challenge in raising sufficient recurring 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 is in the process of evaluating how the Hodgkin bequest will be dealt with. 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 Society's investment policy for each fund is to seek to earn a good rate of return on its investments consistent with any obligations the Society has on each of the funds, as well as the requirements of liquidity management and wishing to accept limited financial risk. 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 29.4% increase during the year. This is largely the impact of the income from the Hodgkin bequest.

Fixed assets decreased by 3.6% as depreciation exceeded the cost of additions for the year. Fixed assets include our property at Priory Gardens used as the Society's offices. The market value of these premises is estimated to exceed substantially the book value in these financial statements. No formal valuation has been obtained since this would incur expenditure out of proportion to its benefit. The increase in fixed asset investments of 10.1% is due to an increase in their value during the year. Net current assets increased by 40.7% as a result of the Hodgkin bequest which is or is in the process of being invested in short term deposits.

For the Society to function successfully, it must maintain an adequate level of unrestricted reserves (ie available for the general purposes of the Society) that can be used to finance its day to day operations and provide a precautionary reserve in case of fluctuations in the future level of income. The Trustees consider it prudent that the level of precautionary reserve should not be less than six months' expected future expenditure plus an allowance for property refurbishment. At 31 December 2006 and excluding the proceeds of the Hodgkin bequest (since the Society has not yet concluded how this will be utilised) the Society's unrestricted cash and funds on short term deposit were £17,000 greater than this computed level of precautionary reserve (2005: £4,000). The excess fluctuates from time to time and the Trustees are presently satisfied that no further action is necessary.

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.

The trustees confirm that, as far as each trustee is aware, there is no relevant audit information of which the charity's auditors are unaware and that each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

AUDITORS

Recent changes in charity law mean that the Society would be entitled to dispense with the requirement to appoint auditors and instead to commission an independent examination of its accounts. This would require approval by the Society's members. Pending the trustees' decision whether to recommend this to members, a resolution proposing that Derek Rothera & Company be re-appointed as auditors will be put to the annual general meeting.

Approved by the Board of Trustees on 21 April 2007 and signed on its behalf by

Dr Geoff Brandwood, Chair

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2006	Total 2005
INCOMING RESOURCES						
From generated funds						
<i>Voluntary income:</i>						
Subscriptions		74,187	-	-	74,187	74,830
Donations		6,348	18,684	-	25,032	26,409
Grants		1,580	55,597	-	57,177	43,776
Gift Aid		16,030	3,253	-	19,283	20,053
Legacies	2	169,980	-	-	169,980	6,000
<i>Investment income:</i>						
Dividends		2,014	-	-	2,014	1,885
Rental income		9,000	-	-	9,000	9,000
Interest		10,255	11,811	-	22,066	21,011
<i>From charitable activities</i>						
Educational events and publications		106,648	-	-	106,648	104,289
Other		3,928	-	-	3,928	2,718
Total incoming resources		399,970	89,345	-	489,315	309,971
EXPENDED RESOURCES						
<i>Costs of generating voluntary income</i>						
Fund raising costs		5,900	-	-	5,900	7,906
<i>Cost of charitable activities</i>						
Architectural conservation		103,847	66,098	-	169,945	225,631
Education		130,910	3,334	-	134,244	153,979
<i>Governance costs</i>						
		5,322	-	-	5,322	7,100
Total resources expended	3	245,979	69,432	-	315,411	394,616
Net incoming/outgoing resources before transfers		153,991	19,913	-	173,904	(84,645)
Transfers	13	19,517	(19,517)	-	-	-
<i>Other recognised gains/(losses)</i>						
Gains/(losses) on investment assets		-	-	6,143	6,143	8,329
Net movement of funds		173,508	396	6,143	180,047	(76,316)
RECONCILIATION OF FUNDS						
Balance brought forward at 1 January		274,514	275,950	60,894	611,358	687,674
Balance carried forward at 31 December		£448,022	£276,346	£67,037	£791,405	£611,358

The Accounting Policies and the Notes on pages 16 to 21 form part of these Accounts

BALANCE SHEET AT 31 DECEMBER 2006

	Notes	2006	2005
TANGIBLE FIXED ASSETS	5	118,214	122,664
INVESTMENTS	6	67,037	60,894
		185,251	183,558
CURRENT ASSETS			
Stock of publications		9,726	10,199
Debtors	7	19,638	17,389
Investments	6	575,316	412,938
Cash in bank and in hand		60,838	26,619
		665,518	467,145
CURRENT LIABILITIES			
Amounts falling due within one year:	8	51,844	30,960
NET CURRENT ASSETS		613,674	436,185
TOTAL ASSETS LESS CURRENT LIABILITIES		798,925	619,743
LIABILITIES			
Amounts falling due after one year	9	7,520	8,385
NET ASSETS	12	£791,405	£611,358
Represented by:			
FUNDS			
Unrestricted		448,022	274,514
Restricted	10	276,346	275,950
Endowment	11	67,037	60,894
		£791,405	£611,358

Approved by the Board of Trustees on 21 April 2007 and signed on its behalf by

Dr Geoff Brandwood, Chair

Andrew Coleman, Finance Trustee

The Accounting Policies and the Notes on pages 16 to 21 form part of these Accounts

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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. The financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in March 2005, applicable UK accounting standards and the Companies Act 1985. 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. In accordance with the widely used method of presentation, the income from the investments in the endowment fund is shown as unrestricted 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 when a liability is incurred. 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. Where assets are not subject to depreciation, an annual impairment review is performed.

(f) Allocation of Expenditure

Expenses have been allocated as between direct charitable expenditure, fund-raising, and governance 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. Fixed assets with a cost of less than £500 are generally not capitalised. 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

During the year the Society received a total of £180,529 representing its 50% share of the proceeds of sale of art works bequeathed jointly to the Society and the Georgian Group by Mr Eliot Hodgkin. Of the amounts received, £10,549 is held to the order of solicitors to the Hodgkin estate to cover costs and has been treated as a creditor in these accounts, leaving £169,980 to be shown as income from legacies. Further art works in the bequest have yet to be sold and since the proceeds cannot be estimated with reasonable accuracy, they have not been recognised in these accounts.

3. Total resources expended

	Conservation	Education	Fundraising	Governance	Total 2006	Total 2005
Staff	112,962	34,521	4,506	1,650	153,639	151,695
Other direct costs						
Events	-	61,215	-	-	61,215	65,163
The Victorian	-	22,114	-	-	22,114	17,160
Casework	15,748	-	-	-	15,748	9,958
Publication grants	-	3,334	-	-	3,334	7,202
Publications	-	2,391	-	-	2,391	2,877
Audit	-	-	-	2,344	2,344	2,300
Other	2,193	-	-	819	3,012	1,901
Allocated costs						
General office costs	8,478	2,583	338	122	11,521	9,844
Printing	3,615	1,102	144	53	4,914	7,225
Postage and telephone	5,081	1,548	202	74	6,905	7,826
IT	7,196	2,192	287	105	9,780	6,247
Depreciation	9,571	1,689	220	81	11,561	12,286
Other	5,101	1,555	203	74	6,933	7,982
Exceptional refurbishment of Priory Gardens	-	-	-	-	-	84,950
	<u>£169,945</u>	<u>£134,244</u>	<u>£5,900</u>	<u>£5,322</u>	<u>£315,411</u>	<u>£394,616</u>

Allocated costs are generally allocated on the basis of the proportions of staff time engaged in each aspect of the Society's work. For depreciation and other costs, these are partially allocated on the basis of directly attributable items and the balance is apportioned on the basis of staff time.

Costs include:

	2006 £	2005 £
Auditor's remuneration		
-Audit fee	2,344	2,300
-Accountancy fee for payroll services	471	210
Depreciation	11,561	12,286
Staff costs comprise:		
Wages and salaries	134,666	133,531
Social security costs	12,368	11,858
Pension costs	6,605	6,306

The average number of staff employed during the year, calculated on a full time equivalent basis, was 6.3 (2005: 6). No staff member received remuneration in excess of £60,000.

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

5 Trustees (2005: 14) received reimbursement of their travelling expenses totalling £694 (2005: £1,576) in relation to their role as trustees or on committees. No Mary Heath trustees received reimbursement either in 2006 or 2005.

5. Tangible Fixed Assets

	Freehold premises	Office equipment	Furniture & fittings	Total
	£	£	£	£
Cost:				
As at 1 January 2006	92,496	50,185	40,563	183,244
Additions	-	7,111	-	7,111
Disposals	-	(12,844)	-	(12,844)
As at 31 December 2006	<u>92,496</u>	<u>44,452</u>	<u>40,563</u>	<u>177,511</u>
Depreciation:				
As at 1 January 2006	-	30,061	30,519	60,580
Charge for the year	-	8,890	2,671	11,561
Disposals	-	(12,844)	-	(12,844)
As at 31 December 2006	<u>-</u>	<u>26,107</u>	<u>33,190</u>	<u>59,297</u>
Net book value:				
As at 31 December 2006	<u>£92,496</u>	<u>£18,345</u>	<u>£7,373</u>	<u>£118,214</u>
As at 31 December 2005	<u>£92,496</u>	<u>£20,124</u>	<u>£10,044</u>	<u>£122,664</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

Fixed asset investments

	2006	2005
Quoted investments:		
Market value at 1 January	60,894	52,565
Additions	-	-
Unrealised valuation (losses)/gains	6,143	8,329
Market value at 31 December	<u>£67,037</u>	<u>£60,894</u>

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

Current asset investments

Investments in 2006 and 2005 comprise cash on short term deposit.

7. Debtors

	2006	2005
Other debtors	1,275	4,116
Prepayments	4,580	6,380
Accrued income	13,783	6,893
	<u>£19,638</u>	<u>£17,389</u>

8. Liabilities: Amounts falling due within one year

	2006	2005
Accruals	10,572	9,856
Deferred income	41,272	21,104
	<u>£51,844</u>	<u>£30,960</u>

9. Liabilities: Amounts falling due after one year

	2006	2005
Life members' subscriptions received in advance	<u>£7,520</u>	<u>£8,385</u>

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

Amount brought forward:		
Due within one year	925	985
Due after one year	8,385	9,310
Additions for the year	-	-
Taken to income for the year	(925)	(985)
	<u>£8,385</u>	<u>£9,310</u>

Closing balance

The closing balance comprises:

Due within one year	865	925
Due after one year	7,520	8,385
	<u>£8,385</u>	<u>£9,310</u>

10. Restricted Funds

	Pevsner Memorial Essay Fund	Mary Heath Trust	Grants	Donations	Total
Balance at 1 January 2006	10,038	255,581	10,331	-	275,950
Received during the year					
Grants	-	-	55,597	-	55,597
Donations	-	-	-	18,684	18,684
Gift Aid	-	-	-	3,253	3,253
Interest	402	11,409	-	-	11,811
Other income	-	-	-	-	-
	<u>10,440</u>	<u>266,990</u>	<u>65,928</u>	<u>21,937</u>	<u>365,295</u>
Applied during the year	-	(11,608)	(57,824)	(19,517)	(88,949)
Balance at 31 December 2006	<u>£10,440</u>	<u>£255,382</u>	<u>£8,104</u>	<u>£2,420</u>	<u>£276,346</u>
Comprising					
Fixed assets	-	-	4,027	-	4,027
Debtors	-	-	-	-	-
Creditors	-	-	-	-	-
Current asset investments	10,440	254,967	1,800	2,420	269,627
Cash	-	415	2,277	-	2,692
	<u>£10,440</u>	<u>£255,382</u>	<u>£8,104</u>	<u>£2,420</u>	<u>£276,346</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 2006 and 2005. The repairs were carried out during 2005. Additionally donations comprise amounts received in commemoration of David Crellin a former caseworker of the Society who died during the year. The amount received has not yet been spent.

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. Movements on the fund are set out in the Statement of Financial Activities. The fund is represented by investments.

12. Analysis of net assets between funds

	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Tangible fixed assets	114,187	4,027	-	118,214
Fixed assets investments	-	-	67,037	67,037
Net current assets	341,355	272,319	-	613,674
Creditors due after 1 year	(7,520)	-	-	(7,520)
Balance at 31 December 2006	<u>£448,022</u>	<u>£276,346</u>	<u>£67,037</u>	<u>£791,405</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 remainder of the unrestricted funds comprises cash and short term deposits. A substantial proportion of these are required as a precautionary reserve in case of fluctuations in the future level of income. The Trustees consider it prudent that the level of precautionary reserve should not be less than six months' expected future expenditure plus an allowance for property refurbishment. At 31 December 2006 and excluding the proceeds of the Hodgkin bequest (since the Society has not yet concluded how this will be utilised) the Society's cash and funds on short term deposit were £17,000 greater than this computed level of precautionary reserve (2005: £4,000). The excess fluctuates from time to time and the Trustees are presently satisfied that no further action is necessary.

13. Transfers

A transfer has been made between restricted and unrestricted funds of £19,517. This represents a credit to unrestricted funds equal to the amount of donations and related gift aid received in 2006 towards the cost of the external repairs to the Society's headquarters at Priory Gardens. The cost was incurred in 2005 and the excess over the accumulated restricted donations received was charged to unrestricted funds.

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 2006**

	2006	2005
Gross income from continuing operations being total income of continuing operations	489,315	309,971
Total expenditure of continuing operations	315,411	394,616
Net income for the year before transfers and gains/losses on investment assets	173,904	(84,645)
Transfer from endowment funds	-	-
Net income for the year after transfers	173,904	(84,645)
Unrealised gain/(loss) on fixed asset investments	6,143	8,329
Net income for the year	<u>£180,047</u>	<u>£(76,316)</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 2006 and 2005.

Independent auditors' report

TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2006

We have audited the financial statements of The Victorian Society for the year ended 31 December 2006 which are set out on pages 14 to 21. These financial statements have been prepared under the accounting policies set out therein.

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 pages 12 to 13.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the Trustees' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Trustees' Report and the Annual Review. 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985.; and
- the information given in the Trustees' Report is consistent with the financial statements.