

# Annual Report and Financial Statements

Year Ended 31 December 2007

**THE VICTORIAN  
SOCIETY**

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**THE VICTORIAN SOCIETY**

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**Registered Charity**

No 1081435

**Company Registration**

No 3940996

## Sense of place

This year we celebrate fifty years since the first meeting of the Victorian Society on 25 February 1958 in the drawing room of Linley Sambourne House, London. Our strength still today is how we unite experts and enthusiasts convinced of the worth of conserving Victorian and Edwardian architecture for the future.

These buildings are irreplaceable, cherished, diverse, beautiful and familiar parts of our everyday lives. 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.

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 why campaigning has always gone hand-in-hand with education as a means of widening public support. Collectively we have achieved far more than could have any one person, however influential. 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. Our record is a distinguished one which we are celebrating this year in many ways, not the least of which is a touring exhibition starting at the Royal Institute of British Architects in London accompanied by a commemorative publication.

Looking back over the last fifty years it is clear that together we really can save the past for the future.

Dr Colin Cunningham, Chairman

Dr Ian Dungavell, Director

## People

### Patron

HRH The Duke of Gloucester KG, GCVO

### Life President

Lord Briggs of Lewes

### TRUSTEES

Dr Colin Cunningham, *Chair*  
Dr Geoff Brandwood, *Chair* (resigned 21 July 2007)  
Dr Sue Berry, *Membership*  
Jeremy Black, *Legal* (resigned 21 July 2007)  
Andrew Coleman, *Vice Chair, and Finance*  
Kate Davey *Legal* (appointed 21 July 2007)  
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  
Dr Steven Brindle  
Maya Donelan  
Dr Kathryn Ferry  
Jacqueline Granger-Taylor  
Yvonne Pines  
Jane Wainwright OBE  
Michael Whitaker

### 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  
Mark Watson

### **SOUTHERN BUILDINGS COMMITTEE**

John Scott (*Chairman*)  
Dr Steven Brindle  
Dr 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  
Beverley Mogford  
Brian Morton MBE  
Mark Price  
Professor Andrew Saint  
Teresa Sladen

### **STAFF**

**Director** Dr Ian Dungavell

#### **Conservation Advisers**

Alex Baldwin (from 23 July 2007) *Northern England and Wales*  
Tim Bridges *Birmingham and West Midlands*  
Heloise Brown (from 2 June 2007) *Southern England and Wales*  
Dr Kathryn Ferry (to 30 April 2007)  
David Garrard *Historic Churches Adviser*  
Edward Kitchen (to 22 June 2007)

**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

## Trustees' annual report for year ending 31 December 2007

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 them 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 advice into account, but they are not obliged to follow it. 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 conservation advisers, our buildings committees and other specialists to bear on each case to deliver considered responses which draw on an exceptional breadth of knowledge.

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

During the year our Senior Architectural Adviser, Dr Kathryn Ferry, left us to set up as a freelance writer and consultant and Edward Kitchen left to become conservation officer at the London Borough of Richmond upon Thames. We welcomed Alex Baldwin and Heloise Brown as our new 'Conservation Advisers', the change in job title reflecting more accurately their role.

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 2007 we received 5,292 notifications of proposals for works to listed buildings (6,232 in 2006). Of these 2,107 related to Victorian or Edwardian buildings (2,179 in 2006), and we gave detailed responses to 346 (343 in 2006).

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 2008 we plan to start investigating ways in which we may better report on the outcomes and impact of our conservation advice.

### **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, is also Secretary of the Joint Committee.

Through the Joint Committee we commented on the white paper, *Heritage Protection for the 21st Century*, published in March 2007. Ian Dungavell spoke about the proposals at a sectoral summit organised by the Society of Antiquaries. The draft bill has now been issued and we will monitor its progress.

### **Coping with e-planning**

We have continued our involvement in shaping the development of '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.

We have been closely involved in the Department of Communities and Local Government e-Consultation Hub Statutory Consultees Group to make sure as best we can that the new system will suit our needs. We provided many suggestions about how it could be improved, and these will be incorporated in the final release of the system due to launch in the middle of 2008. E-planning will still be a challenge for us, but hopefully not unworkable!

## **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 3,276 members (3,285 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.

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 2007, Gift Aid added £19,340 (£19,283 in 2006) to our funds.

Last year we reported that we were a beneficiary, jointly with the Georgian Group, in an art collection bequeathed by Eliot Hodgkin. We are thrilled to report that the subsequent sales of have added £103,000 to

the net total of £169,980 received in 2006. This will allow us to stage an exhibition in 2008 at the Royal Institute of British Architects celebrating 50 years of the Victorian Society, which will be accompanied by a commemorative booklet sent to all members. We have also been able to demolish our decaying garage, unusable due to asbestos, and we will replace it with a new archive store designed to the high specification everyone would expect next to our Grade II-listed building and in the Bedford Park Conservation Area. We have been advised that the value it will add to our property will be considerably in excess of the cost of construction, so it will also be a good investment. As well, the bequest will allow us to underwrite the publication of a journal for up to three years without an impact on subscription rates; the first issue is due out in July 2008. We will seek members' views of the journal by 2010 to see if it should continue.

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.

### **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 helped many local campaigners with media advice, campaigning tips and link-building between their campaigns and other organisations. Some of this is available in the campaign guide on our website, but a lot is done individually. Our 'Heritage Crime Scene' demonstration in support of the William Morris Gallery at Walthamstow, London, drew much media attention and contributed a further fillip to already energetic local campaigners.

In 2007 our website attracted 89,088 individual visitors. We hope to maintain this level of interest, but at the end of March 2008 we were slightly down on last year at 20,111 individual visitors (compared to 25,688 over the same period in 2007). This is nevertheless an impressive total. We completed the redesign of our website late in 2007 and we can now monitor visitors' interests more easily.

### **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. But sometimes they are campaigning against keeping them! It can be difficult for local people to appreciate the potential of run-down old buildings to be brought back into use and act as a catalyst for regeneration. It was with this in mind we held a 'Memory Day' at Easington Colliery Miner's Welfare Scheme to talk to residents about their memories of the derelict school building at the heart of their community, which many wanted to see demolished. It turned out that what people hated the most was the condition the building had got into, and the apparent hopelessness of a solution being found. A public inquiry found that inadequate efforts had been made to market the building. We plan to hold more face-to-face events with local communities where appropriate.

### **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 top ten endangered buildings campaign provided people with an opportunity to tell us of buildings at risk they were concerned about. Some were already the subject of local campaigns, while others needed our efforts to highlight their plight. This we did very successfully, and already the future of three of them looks much more promising.

In 2007, we issued 117 press releases (70 in 2006), leading to over 392 articles in both national and local newspapers mentioning our campaigns (over 280 in 2006), and we made several appearances on television and radio.

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 Edwardian country houses, enormously popular just like the buildings themselves, while in the autumn series the focus was on William Morris and related topics, inspired by our campaign to save the William Morris Gallery in Walthamstow, London, from senseless cuts. Michael Hall was very busy with the Bodley Centenary, speaking at St Augustine's Pendlebury for our Manchester Group and later organising a Bodley symposium and series of visits later in the year in London while our Great Eastern Group marked CE Kempe's centenary with a study day and series of visits in Cambridge. Dr Kathryn Ferry organised a study day on polychromy in architecture and the decorative arts, and we also held the second in our symposia on Courts and Capitals, organised jointly with the Society for Court Studies. 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 Leicester organised by Dr Geoff Brandwood and our Leicester Group, many of whose members were involved in leading the tours. Other weekends away included the enormously popular tour led by Dr Kathryn Ferry of Arts and Crafts houses in North Norfolk; Father Michael Fisher's *The Gothic Revival in Staffordshire* tour covered some of the best churches in the whole country while Dr Geoff Brandwood re-ran the weekend in Furness and the South Lakes first organised by David Crellin last year.

Some of the other visits and walks included: New West End Synagogue; Moseley Road Baths, Birmingham; Tenbury Wells; Buckhurst Hill; William White houses in Hampshire; Malvern College; work by William Burges in Yorkshire; Bodley in Herefordshire; Brunel in South Wales; Clevedon Court; Sheffield City Centre; Huddersfield; Holbeck Cemetery; Victoria Baths, Manchester; Noel Park, London; coach trips to Sussex, Suffolk, Norfolk, Bedfordshire and Nottinghamshire; and Burton-upon-Trent. Many of these were organised by our regional groups.

In 2007 the Society held 40 individual lectures, five study days, four weekends away, nine day trips and 49 visits or walks, a total of 107 events or on average more than 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](mailto: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 2007 we had 9 students registered under this scheme, many of whom were well advanced in their degrees.

We have also offered free membership for a trial period to students enrolled on the Conservation of the Historic Environment course at the College of Estate Management. By doing this we hope to increase awareness among future professionals about the Victorian Society and what we do.

### ***The Victorian***

We published three issues of our magazine, *The Victorian*, in 2007, edited by Liz Robinson. In March we looked at Victorian schools, coinciding with the public inquiry to consider the future of Easington Colliery School, County Durham. In July, we featured several of our recent campaigns in our 'Heritage crime scene' issue, prompted by the shameful decision of the London Borough of Waltham Forest to cut funding and opening hours at the William Morris Gallery. In November we looked at the problems facing redundant churches and those looking after them.

### **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 2007, we sold 1,974 booklets (892 in 2006) and 39 copies of the book (513 in 2006). In 2007 we reduced substantially the price of the complete set of 9 booklets, which led to increased sales as did the fact that the *Victorian Society Book of the Victorian House* was out of print for most of the year; it has now been republished in paperback.

## 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

<i>Incoming resources</i>	2007	2006	
	£'000	£'000	
<b>Total incoming resources</b>	<b>492</b>	<b>489</b>	<b>Total income up by 0.5%</b>
<i>Principal components:</i>			
Subscription income	96	89	Increase 8.0%
Grants	64	57	Increase 11.5%
Investment income	45	33	Increase 36.4%
Educational events and publications	111	107	Increase 3.7%
Donations	22	29	Decrease 24.1%
Legacies	153	170	Decrease 10.0%

The increase in subscription income was largely due to an increase in subscription rates to recoup the cumulative effect of inflation. The increase in grant income reflected the first full year of the 2006 triennial review from English Heritage. Investment income increased as a result both of larger cash balances (derived from legacies) and higher interest rates. Educational events and publications continued at a very high level of activity as a result of the continued enthusiasm of our team of volunteers who continue to come up with interesting events for members. Donations in 2007 include £17,000 from the Society's first Annual Fund Appeal, a most generous response from our members to provide funds to cover the Society's deficit on its day to day running costs. Donations in 2006 largely reflected the Society's appeal for funds to cover the refurbishment of its headquarters at 1 Priory Gardens. Legacies are very important to the Society providing the funding for opportunities that would be simply unaffordable out of recurring income. Legacy income in 2007 comprised a further £103,000 from the Hodgkin Bequest and £50,000 from the estate of the late Richard Holder – formerly Senior Architectural Adviser to the Society.

Excluding legacy income, which the trustees allocate for project funding, and after adjusting for one-off items, income on a recurring basis for 2007 was £321,000, an increase of 8.0% on 2006 principally as a result of the increases in subscription income, grant income and investment income.

<i>Outgoing resources</i>	2007	2006	
	£'000	£'000	
<b>Total outgoing resources</b>	<b>337</b>	<b>315</b>	<b>Total expenses up by 6.8%</b>
<i>Principal components:</i>			
Architectural conservation	187	170	Increase 10.0%
Educational activities	138	134	Increase 3.0%
Fund raising and governance	12	11	Increase 9.0%

Expenditure on the Society's charitable activities of architectural conservation and education amounted to 96% of total expenditure for the year. The increase in expenditure on architectural conservation largely reflected an increase in staff costs of 8% - well above the level of the pay award for the year as a result of the impact of staff changes in 2006 and in 2007. The increase in expenditure on educational activities was lower than the rate of inflation but year on year comparison is difficult because the mix of events organised will have an impact on the financial outcome.

Adjusting for one-off factors, expenditure on a recurring basis for 2007 was £328,000, an increase of 4.9% on 2006.

Taking into account the incoming and outgoing resources referred to above, the Society achieved the following outcome:

<b>Net movement in resources</b>	2007	2006	
	£'000	£'000	
Deficit on recurring items	(7)	(15)	
Annual fund appeal	17	-	
Result on recurring items after annual fund appeal	10	(15)	
Legacies (used for projects) and other non-recurring or restricted items	145	189	
Net movement in resources	155	174	Net movement down by 10.4%

This shows how important the 2007 Annual Appeal was in bridging the gap between the Society's recurring expenditure and its recurring income.

### Balance sheet

<b>Net assets</b>	2007	2006	
	£'000	£'000	
<b>Total net assets</b>	<b>947</b>	<b>791</b>	<b>Total net assets up by 19.7%</b>
<i>Principal components:</i>			
<u>Unrestricted fund:</u>			
Tangible fixed assets	113	114	Decrease 0.9%
Short term deposits	333	307	Increase 8.5%
Other net assets	162	27	Increase 500.0%
<u>Restricted and endowment fund:</u>			
Investments and short term deposits	339	343	Decrease 1.2%

The increase in net assets year on year is principally attributable due to legacy income.

### Unrestricted funds

Unrestricted funds represent the Society's day to day operating finances. The increase in short term deposits year on year reflects favourable cash flow as well as interest income reinvested. The increase in other net assets year on year is attributable to a debtor of £153,000 for legacy income recognised in 2007 for which the money will be received in 2008. Tangible fixed assets include the cost of the Society's freehold headquarters at 1 Priory Gardens. The market value of this property is estimated to exceed the cost by a substantial amount. No formal valuation has been obtained because this would incur expenditure out of proportion to its benefit.

For the Society to function successfully, it must maintain an adequate level of unrestricted reserves that can be used to finance the Society's 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 2007, and excluding the proceeds of legacies earmarked for future projects, the Society's cash and short term reserves were £55,000 in excess of this level (2006: £17,000). The excess fluctuates from time to time and the Trustees are presently satisfied that no further action is necessary.

### Restricted and endowment funds

The restricted and endowment funds are invested so as to reflect the Society's obligations under 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 which should, over time, generate both a steady income and some capital growth. The restricted funds are invested in cash deposits. The small decrease in the total of restricted and endowment funds during the year is a result of expenditure on restricted funds exceeding income for the year by £5,000.

## **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**

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 26 April 2008 and signed on its behalf by

Dr Colin Cunningham, Chair

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2007	Total 2006
<b>INCOMING RESOURCES</b>						
<b>From generated funds</b>						
<b><i>Voluntary income:</i></b>						
Subscriptions		96,140	-	-	96,140	89,023
Donations		21,274	719	-	21,993	29,479
Grants		1,580	62,162	-	63,742	57,177
Legacies	2	153,000	-	-	153,000	169,980
<b><i>Investment income:</i></b>						
Dividends		2,105	-	-	2,105	2,014
Rental income		9,000	-	-	9,000	9,000
Interest		19,253	14,651	-	33,904	22,066
<b><i>From charitable activities</i></b>						
Educational events and publications		110,979	-	-	110,979	106,648
Other		868	-	-	868	3,928
Total incoming resources		414,199	77,532	-	491,731	489,315
<b>EXPENDED RESOURCES</b>						
<b><i>Costs of generating voluntary income</i></b>						
Fund raising costs		6,142	-	-	6,142	5,900
<b><i>Cost of charitable activities</i></b>						
Architectural conservation		106,323	80,445	-	186,768	169,945
Education		135,201	2,556	-	137,757	134,244
<b><i>Governance costs</i></b>						
		6,191	-	-	6,191	5,322
Total resources expended	3	253,857	83,001	-	336,858	315,411
Net incoming/outgoing resources before transfers		160,342	(5,469)	-	154,873	173,904
<b><i>Transfers</i></b>		-	-	-	-	-
<b><i>Other recognised gains/(losses)</i></b>						
Gains on investment assets		-	-	1,025	1,025	6,143
<b>Net movement of funds</b>		160,342	(5,469)	1,025	155,898	180,047
<b>RECONCILIATION OF FUNDS</b>						
Balance brought forward at 1 January		448,022	276,346	67,037	791,405	611,358
Balance carried forward at 31 December		£608,364	£270,877	£68,062	£947,303	£791,405

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

**BALANCE SHEET AT 31 DECEMBER 2007**

	Notes	Unrestricted funds	Restricted funds	Endowment	Total 2007	Total 2006
<b>TANGIBLE FIXED ASSETS</b>	5	112,597		-	112,597	118,214
<b>INVESTMENTS</b>	6	-	-	68,062	68,062	67,037
		112,597	-	68,062	180,659	185,251
<b>CURRENT ASSETS</b>						
Stock of publications		9,176	-	-	9,176	9,726
Debtors	7	200,607	-	-	200,607	19,638
Investments	6	333,221	270,071	-	603,292	575,316
Cash in bank and in hand		28,905	806	-	29,711	60,838
		571,909	270,877	-	842,786	665,518
<b>CURRENT LIABILITIES</b>						
Amounts falling due within one year:	8	69,427	-	-	69,427	51,844
<b>NET CURRENT ASSETS</b>		502,482	270,877	-	773,359	613,674
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		615,079	270,877	68,062	954,018	798,925
<b>LIABILITIES</b>						
Amounts falling due after one year	9	6,715	-	-	6,715	7,520
<b>NET ASSETS</b>	12	£608,364	£270,877	£68,062	£947,303	£791,405
Represented by:						
<b>FUNDS</b>						
Unrestricted		608,364			608,364	448,022
Restricted	10		270,877		270,877	276,346
Endowment	11			68,062	68,062	67,037
<b>TOTAL FUNDS</b>		£608,364	£270,877	£68,062	£947,303	£791,405

Approved by the Board of Trustees on 26 April 2008

\_\_\_\_\_ Colin Cunningham (Chairman)

on behalf of the Trustees

\_\_\_\_\_ 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 2007

### 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.

#### (d) Recognition of Income

Subscriptions, donations, grants, 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. Gift aid receivable is included in the category of income to which it relates and the results of prior years have been re-presented on this basis. No amounts are included in the financial statements for services donated by volunteers.

#### (e) Recognition of Expenditure

Expenditure is recognised when a liability is incurred. Expenditure on future events is deferred until the event takes place.

#### (f) 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.

#### (g) 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.

#### (h) 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

Legacy income includes £103,000 representing the Society's 50% share of advances made from the proceeds of sale of art works bequeathed jointly to the Society and the Georgian Group by Mr Eliot Hodgkin. Further smaller amounts may be received when the bequest is finalised and the trust wound up but since these amounts cannot be estimated with reasonable accuracy, they have not been recognised in these accounts.

## 3. Total resources expended

	Conservation	Education	Fundraising	Governance	Total 2007	Total 2006
<b>Staff</b>	122,715	35,712	4,858	1,698	164,983	153,639
<b>Other direct costs</b>						
Events	-	63,204	-	-	63,204	61,215
The Victorian	-	21,725	-	-	21,725	22,114
Casework	16,916	-	-	-	16,916	15,748
Publication grants	-	2,556	-	-	2,556	3,334
Publications	-	2,988	-	-	2,988	2,391
Audit	-	-	-	2,438	2,438	2,344
Other	4,951	-	-	1,654	6,605	3,012
<b>Allocated costs</b>						
General office costs	9,298	2,824	313	98	12,533	11,521
Printing	4,465	1,356	150	47	6,018	4,914
Postage and telephone	4,733	1,437	159	50	6,379	6,905
IT	11,954	3,630	403	126	16,113	9,780
Depreciation	7,682	1,110	124	38	8,954	11,561
Other	4,054	1,215	135	42	5,446	6,933
	<b>£186,768</b>	<b>£137,757</b>	<b>£6,142</b>	<b>£6,191</b>	<b>£336,858</b>	<b>£315,411</b>

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:

	2007 £	2006 £
Auditor's remuneration		
-Audit fee	2,300	2,344
-Accountancy fee for payroll services	208	471
Depreciation	8,954	11,561
Staff costs comprise:		
Wages and salaries	142,748	134,666
Social security costs	13,095	12,368
Pension costs	9,140	6,605

The average number of staff employed during the year, calculated on a full time equivalent basis, was 6.4 (2006: 6.3). 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

7 Trustees (2006: 5) received reimbursement of their travelling expenses totalling £1,005 (2006: £694) in relation to their role as trustees or on committees. No Mary Heath trustees received reimbursement either in 2007 or 2006.

#### 5. Tangible Fixed Assets

	Freehold premises £	Office equipment £	Furniture & fittings £	Total £
Cost:				
As at 1 January 2007	92,496	44,452	40,563	177,511
Additions	-	3,337	-	3,337
Disposals	-	(3,893)	-	(3,893)
As at 31 December 2007	92,496	43,896	40,563	176,955
Depreciation:				
As at 1 January 2007	-	26,107	33,190	59,297
Charge for the year	-	8,112	842	8,954
Disposals	-	(3,893)	-	(3,893)
As at 31 December 2007	-	30,326	34,032	64,358
Net book value:				
As at 31 December 2007	£92,496	£13,570	£6,531	£112,597
As at 31 December 2006	£92,496	£18,345	£7,373	£118,214

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

	2007	2006
Quoted investments:		
Market value at 1 January	67,037	60,894
Additions	-	-
Unrealised valuation (losses)/gains	1,025	6,143
Market value at 31 December	£68,062	£67,037

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

##### Current asset investments

Investments in 2007 and 2006 comprise cash on short term deposit with UK institutions.

**7. Debtors**

	<b>2007</b>	<b>2006</b>
Other debtors	1,036	1,275
Prepayments	6,601	4,580
Accrued income	192,970	13,783
	<u>£200,607</u>	<u>£19,638</u>

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

	<b>2007</b>	<b>2006</b>
Other creditors	3,838	-
Accruals	31,117	10,572
Deferred income	34,472	41,272
	<u>£69,427</u>	<u>£51,844</u>

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

	<b>2007</b>	<b>2006</b>
Life members' subscriptions received in advance	<u>£6,715</u>	<u>£7,520</u>

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

Amount brought forward:		
Due within one year	865	925
Due after one year	7,520	8,385
Additions for the year	-	-
Taken to income for the year	(865)	(925)
Closing balance	<u>£7,520</u>	<u>£8,385</u>

The closing balance comprises:

Due within one year	805	865
Due after one year	6,715	7,520
	<u>£7,520</u>	<u>£8,385</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 2007	10,440	255,382	8,104	2,420	276,346
Received during the year					
Grants	-	-	62,162	-	62,162
Donations	-	-	-	719	719
Interest	470	14,181	-	-	14,651
Other income	-	-	-	-	-
	<u>10,910</u>	<u>269,563</u>	<u>70,266</u>	<u>3,139</u>	<u>353,878</u>
Applied during the year	-	(16,812)	(66,189)	-	(83,001)
Balance at 31 December 2007	<u>£10,910</u>	<u>£252,751</u>	<u>£4,077</u>	<u>£3,139</u>	<u>£270,877</u>
Comprising					
Current asset investments	10,910	251,945	4,077	3,139	270,071
Cash	-	806	-	-	806
	<u>£10,910</u>	<u>£252,751</u>	<u>£4,077</u>	<u>£3,139</u>	<u>£270,877</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 in commemoration of David Crellin a former caseworker of the Society who died in 2006. 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**

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. For the Society to function successfully, it must maintain an adequate level of unrestricted reserves that can be used to finance the Society's 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 2007, and excluding the proceeds of legacies earmarked for future projects, the Society's cash and short term reserves were £55,000 in excess of this level (2006: £17,000). The excess 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 2007***

	<b>2007</b>	<b>2006</b>
Gross income from continuing operations being total income of continuing operations	491,731	489,315
Total expenditure of continuing operations	<u>336,858</u>	<u>315,411</u>
Net income for the year before transfers and gains/losses on investment assets	154,873	173,904
Transfer from endowment funds	-	-
Net income for the year after transfers	<u>154,873</u>	<u>173,904</u>
Unrealised gain/(loss) on fixed asset investments	1,025	6,143
Net income for the year	<u>£155,898</u>	<u>£180,047</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 2007 and 2006.

# Independent auditors' report

## TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2007

We have audited the financial statements of The Victorian Society for the year ended 31 December 2007 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

As described in the Statement of Trustees' Responsibilities, 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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, 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 other information contained in the Trustees' Report and the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### 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. We have undertaken the audit in accordance with the requirements of APB Ethical Standards including *APB Ethical Standard - Provisions Available for Small Entities*, in the following circumstances: in common with many other businesses of your size and nature, you use our payroll services. 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 2007 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 Trustees' Report is consistent with the financial statements.

Derek Rothera & Co  
Chartered Accountants & Registered Auditors  
Units 15&16, 7 Wenlock Road, London N1 7SL

Date: 26 April 2008