

Annual Report and Financial Statements

Year Ended 31 December 2018

THE VICTORIAN SOCIETY

Contents

2	PEOPLE
4	ANNUAL REVIEW
4	WHAT'S THE PROBLEM? WHAT ARE WE DOING ABOUT IT?
5	CONSERVATION
7	INVOLVEMENT
9	EDUCATION
11	TRUSTEES' REPORT
11	STRUCTURE, GOVERNANCE AND MANAGEMENT
12	FINANCIAL REVIEW
15	TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS AUDITORS
16	STATEMENT OF FINANCIAL ACTIVITIES
17	BALANCE SHEET
18	CASH FLOW STATEMENT
19	NOTES TO THE FINANCIAL STATEMENTS
29	INDEPENDENT AUDITORS' REPORT

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The Lord Howarth of Newport CBE

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Kate Davey, *Legal*

Dr David Low, *Non-executive*

Ken Moth, *Casework and Vice Chair*

Lynn Percy, *Finance*

Steve Roman, *Membership*

Professor Andrew Saint, *Non-executive*

Ann Wilks CBE, *Non-executive*

REGIONAL GROUP CHAIRS

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Leicester Peter Ellis / Neil Crutchley (*Joint Acting Chairs*)

Liverpool Tony Murphy

Manchester David Astbury

Wales Elaine Davey

South Yorkshire Valerie Bayliss CB

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Dr Geoff Brandwood

Dr Steven Brindle

Maya Donelan MBE

Neil Jackson

Michael Pearson

Sophie Sainty

Jane Wainwright OBE

Paul Waite

NORTHERN BUILDINGS COMMITTEE

Ken Moth, *Chairman*

Alan Davies

Andy Foster

Dr Chris Hammond

Kate Martyn

NORTHERN BUILDINGS COMMITTEE (continued)

Becky Mills
Emma Neil
John Prichard
Dominic Roberts
Kathryn Sather
Richard Tinker
Mark Watson

SOUTHERN BUILDINGS COMMITTEE

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Dr Brent Elliott
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Professor Andrew Saint
Teresa Sladen

STAFF

Director of the Society Christopher Costelloe

Conservation Advisers

James Hughes
Tim Bridges
Anna Shelley (until 14 January 2019)
Olivia Stockdale (from 18 March 2019)
Tom Taylor

Media Officer Harriet Lawrence (until 31 December 2018)

Molly Murray-Ayres (from 6 March 2019)

Administrator Richard Seedhouse

Events Administrator Jane Jephcote

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Annual Review

What's the problem?

Architecture suffers more from change than other art forms, for it has to satisfy practical needs as well as aesthetic ones. Buildings must earn their keep. Rooms are subdivided or knocked together, access ramps built, whole new wings added, or whole buildings demolished. And sometimes changes are made purely as a matter of taste or expediency, when no one would dream of treating paintings or sculpture in a similar way.

In providing for seemingly urgent but often short-term requirements, much can be lost. The Victorian Society (the Society) wants people to take a long term view about their buildings, and pause to appreciate what is special about them, so that future generations can enjoy them as we do.

People today are more likely to understand the quality of Victorian and Edwardian architecture, thanks partly to our campaigns over the past sixty years. It is rare to hear Victorian buildings thoughtlessly denigrated as they once were, but still their very ubiquity can blind us to their virtues.

In the past, great Victorian buildings such as the Foreign Office in Whitehall, Albert Dock in Liverpool and Manchester Town Hall were all threatened with demolition. But in our sixtieth anniversary year of 2018, many good buildings such as schools, hospitals and ordinary houses were still being lost or insensitively altered. Local people may stand up for them, but they benefit enormously from the knowledge and expertise of the Victorian Society.

What are we doing about it?

The Society is the champion for Victorian and Edwardian buildings in England and Wales. We have two main tasks. The wider one is to promote understanding of Victorian and Edwardian architecture as a cultural achievement which should be valued in its own right, as well as its virtues in creating a sense of place and local distinctiveness. Secondly, we try to influence the decisions made about individual buildings so that, as they are changed to suit modern requirements, we do not lose what is special about them.

We report on this work under the three charitable objects set out in our constitution. These are linked, as through involving and educating the public, we can increase the likelihood of saving buildings.

- **CONSERVATION:** to save Victorian and Edwardian buildings or groups of buildings of special architectural merit from needless destruction or disfigurement.
- **INVOLVEMENT:** to awaken public interest in, and appreciation of, the best of Victorian and Edwardian arts, architecture, crafts and design.
- **EDUCATION:** 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.

It would be comforting to think that, one day, these buildings would be so highly valued and their qualities so well understood that our work would no longer be necessary. However, immediate needs are often felt to be so pressing that it is expedient to sacrifice what is special about a building to satisfy them. Buildings need an advocate who can take the long-term view.

We know that our campaigns affect public attitudes and reactions to the built and historic environment. However, it is difficult to quantify the success of our work. An aim as ambitious as changing public values and understanding is not easily measured, and neither is the effect of our input on individual decisions about buildings. Numbers cannot meaningfully encompass the difference that the survival of Victorian buildings makes to our lives, but we know that many people feel enriched by the historic environment. Details of many individual cases are set out in our magazine, *The Victorian*, and this report gives a good idea of the scope of our work, including setting out for each of our charitable objects the headline numbers that summarise our performance.

We review our aims, objectives and activities each year. This report looks at what we achieved in 2018 and considers the success of each activity. We have had regard to the Charity Commission's general guidance on public benefit when planning our future activities to ensure that they are carried on for the public benefit. In 2019 the threat to Victorian and Edwardian buildings remains as great as ever, so the Society will continue to press for the preservation of architecture of the period, to inform the public about threats to particular buildings, and to widen public knowledge of our amazing cultural heritage.

Everyone can benefit from the conservation of the Victorian and Edwardian historic environment, both this and future generations. It is all around us, and contributes to the distinctiveness of places and our own sense of identity.

Conservation

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

Headline numbers

5,855 consultations received

2,630 identified as our period

351 detailed responses made

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. We have a formal role in the planning system in England & Wales by virtue of the Secretary of State's direction in *Arrangements for handling heritage applications - notification to Historic England and National Amenity Societies and the Secretary of State (England) Direction 2015* 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 when 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 2.6 full-time equivalent 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 two 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.

Local authorities are required to notify us of the decisions they take on listed building consent applications that they have consulted us on. However, 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 owners 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.

The sorts of proposals on which we often find ourselves commenting continue to include: the demolition of unlisted buildings in conservation areas; redundancies of churches, schools, pools, hospitals and town halls and subsequent neglect or alteration; church extensions, re-orderings and subdivisions; as well as making spot listing requests for unlisted buildings. Rather than pick out one or two cases here, our work is best understood by reading the reports which are published in each issue of our magazine, *The Victorian*.

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 2018 we received 5,855 notifications of proposals to buildings in our period (previous years' figures are not comparable due to changes in the way we gather statistics), each of which has to be investigated by our staff to see if it is of concern to us. Of the notifications received and logged, 2,630 related to Victorian or Edwardian buildings, and we gave detailed responses to 351.

Included in the figures above are the 614 notifications received for proposed works to listed religious buildings that fall under the ecclesiastical exemption, the overwhelming majority of which have some element within our period of interest.

We receive a grant towards our listed buildings casework from Historic England, which has extended this funding until March 2020. We are very grateful for this. However, this grant was cut by five per cent in April 2017, and we are concerned that government spending cuts may affect our grant when we next apply. We also receive a small grant from Cadw.

Influencing policy

We 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 The Heritage Alliance. If there are particular points we can make which relate specifically to Victorian and Edwardian buildings then we will do so directly.

Involvement

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

Headline numbers

2,677 members

19,300 followers on Twitter

3,876 Facebook likes

A focus for interested people

The Society provides a focus for everyone interested in Victorian and Edwardian architecture and related arts. We have had a slight decline in membership numbers to 2,677 (2,890 in 2017). While the number of members has fallen slightly in recent years, with a low turnover, we are working on ways to attract more, while retaining those we have got.

The public engage with us in a number of important ways, including with their financial contribution. Many members generously give us additional donations during the year and sign Gift Aid declarations to maximise the value of their donations and membership subscriptions. In 2018, Gift Aid added £20,660 (£21,605 in 2017) to our funds.

Legacies are also tremendously important. In 2018 we received eight legacies totalling £79,689 (six in 2017 totalling £785,297). Legacy income funds the continuing series of Journals, including the recent one on Thomas Rickman & the Victorians. It has also made a vital contribution to our current office refurbishment.

Legacy income is also 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 or email admin@victoriansociety.org.uk.

Volunteering

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. Our committee members alone contribute well over 900 hours of free advice per year, and there are many days when volunteers in the office outnumber the staff. This year we would like to celebrate the work of volunteer Maya Donelan, whose delicious cooking for our supper lectures, just one of her many contributions over many years, have made them one of the hottest tickets in the Society's calendar.

Community Engagement: Supporting local campaigners

We 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 Media Officer and, where appropriate, we work directly with local people on their campaigns. We have helped many local campaigners with media advice, campaigning tips and link-building between their campaigns and other organisations. For example, we have been in direct contact with campaigners hoping to save the John Shotton steelworks in Shotton – which featured on our 2018 Top Ten Endangered Buildings list. Some of this support is available in the campaign guide on our website, and increasingly social media plays an important role. We have more than 19,300 followers (17,602 in 2017) reading our updates on Twitter, the social networking site. We have continued to engage actively with Facebook and Instagram.

Community Engagement: Contributing in a national context

The Society is working with Great Yarmouth Council to try to draw attention to the future of the Winter Gardens. We have co-operated with a number of community groups' online on campaigns to save threatened buildings, including in London and Cardiff. Our work on social media has helped many other local campaigns. Our free e-newsletter is sent to 2,500 people each month, ensuring that they are kept up-to-date with the latest developments in our campaigns.

Some of these community campaigns are still continuing, and we will continue to develop other campaigning opportunities as they arise.

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. However, 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 has just entered its 12th year and continues to provide people with an opportunity to tell us about buildings at risk in their area. Sometimes we receive nominations for buildings that are already at the centre of a vibrant local campaign, but others need us to help highlight their plight. The burst of publicity that follows the publication of the list can lead to impressive results. Since our 2018 list was published, a trust is being set up to find a sustainable future for Oldway Mansion in Paignton. As well as the extensive media coverage it generates, the campaign also raises our internet profile.

Our website recorded thousands of page views on the day of the Top Ten launch. From our 2017 Top Ten list, a planning application has been submitted to turn Feversham Street School in Bradford into a restaurant and function rooms. Work has begun to convert Buckley's Brewery in Llanelli into 21 flats. Sadly, the future of some other buildings on the list remains uncertain.

In 2018, we issued dozens of press releases, leading to hundreds of articles in both national and local newspapers mentioning our campaigns, and we made a number of appearances on television and radio. News of our campaigns is reported on our website, which attracts many thousands of visits annually.

We plan to continue developing our relationships with journalists and working on other ways of attracting public attention to our campaigns. The trustees view community engagement as an extremely important part of our work. We are always on the lookout for possible alternative sources of funding for this essential work.

Education

'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'

Headline numbers

100 events in 2018, organised by volunteers

3,490 bookings taken centrally for events

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.

Lectures, conferences and study days

Our winter lecture series, organised by Steven Brindle, looked at Private Realms, including Cragside, Mentmore and Brodsworth. The autumn series, organised by Michael Hall, looked at Cutting-edge Victorians, examining current scholarship in our field of interest. A number of young scholars were given opportunities to speak during the series, including Elizabeth Woolley on mural paintings and Susan Galavan on the houses of Dublin. We also hosted a supper lecture in our office, on the Victorian Turkish bath. Two successful study days were held; one on John Betjeman and the Victorians and one on Meiji Japan.

Visits

One of the highlights of the events programme this year was the AGM weekend based in London. Members explored the fascinating streets of the East End, and dined at the Reform Club. The weekend culminated in a boat trip along the Thames, guided wonderfully by Benedict O'Looney. We also organised day trips to St Albans, Ely, Roehampton, Haslemere, Reading, Carmarthen, the West Riding and Norfolk country houses.

Some of the other visits and walks included tours of court housing in Liverpool, Salford, Bournville, Romford Garden Suburb and Alexandra Palace. Many of these events were organised by our regional groups.

In 2018 the Society held at least 45 lectures (46 in 2017), 4 study days (1), 3 weekends away (2), 16 day trips (14) and 32 visits or walks (33), a total of 100 events (96) or on average almost two events per week around the country. We processed over 3,490 bookings centrally for events, not including 'turn up on the day' events.

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.

The Victorian

We published three issues of our magazine, *The Victorian*, edited by Jeremy Musson. In March we looked at the Society's sixtieth birthday, the amazing rescue of St Francis, Gorton, Manchester and the new revision of the Buildings of England on the West Riding of Yorkshire. In July we focused on Eugenius Birch, Victorian architectural models, the legacy of Gavin Stamp, and Kew's Temperate House. In November we looked ahead to the next sixty years of the Society, Owen Jones, ventilation in old buildings and the Top Ten most endangered buildings for 2018.

Studies in Victorian architecture and design

Intended to stimulate research in our field by providing a good outlet for original research, each issue of our journal focuses on a particular theme. In the sixth issue, published in early 2017, we focused on William Butterfield. The seventh volume, on Thomas Rickman & the Victorians, was edited by Megan Aldrich and Alexandrina Buchanan, and was delivered to members with the February 2019 magazine. We are always looking for suggestions and editors for future issues.

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. A further source of information to homeowners was *The Victorian Society Book of the Victorian House*: this is currently out of print.

We provide a lot of information on our website including nine Advice Notes. The most popular are those related to house history, paintwork, decorative tiles, and fireplaces.

Other publications

We continue to be open to the possibility of other *ad hoc* publications.

Report of the Trustees / Directors for the year ending 31 December 2018

Structure, governance and management

Structure

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

Governance

The Society is managed by a Board of Trustees. All the Trustees are also the Directors of the charitable company for the purposes of the Companies Act, and vice versa. 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 three 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.

The Board has reviewed the Charity Governance Code for smaller charities, which sets out best practice principles and recommended practice for good governance. The principles address organisational purpose; leadership; integrity; decision-making, risk and control; board effectiveness; diversity; and openness and accountability. The Board is satisfied that it is meeting the principles and key outcomes of the Code although, given the small size of the Society and the Trustee Board, in some areas there is rather less formality than is called for by the Code. As an example, while the Board and the Director of the Society work closely together and are therefore clear about what is delegated to the Director, this is not set out in a formal framework. The Board will consider the Code's recommendations further during 2019.

Management

The Board of Trustees currently comprises eight 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 of the Society who, while not a director of the charitable company, attends meetings of the Board of Trustees. The Society benefits from a Northern Buildings Committee and a Southern Buildings Committee, both comprised of experts who meet to advise the Society on architectural and casework matters.

The remuneration of the Director of the Society and other employees is reviewed each year by the Trustees.

Risk management

The major risks to which the Society 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. The principal financial risks facing the Society relate to a recurring deficit from its ongoing operations and its significant financial investments. These are considered in more detail on the following pages.

Financial review

Income and expenditure

	2018 £000s	2017 £000s	
Total income	388	1,137	Total income down 66%
<i>Comprising:</i>			
Subscription income	130	141	Decrease 8%
Donations	14	12	Increase 17%
Legacies	80	785	Decrease (non-recurring)
Rental income	10	10	Stable
Other investment income	12	7	Increase 71%
Grants	42	43	Stable
Educational events and publications	99	138	Decrease 28%
Other	1	1	Stable

Subscription income was down by 8%, reflecting a decline in membership numbers. Our grant income is stable. Investment income was up from a low base. Educational activities continued to be successful and the decrease in gross income reflects a change to the mix of events, resulting in lower turnover. Since the Swiss trip in June 2018 we no longer run overseas trips, which instead are now organised independently, with a donation generously being made to the Society. The net surplus from events fell from £28,757 to £19,418. Donations increased slightly in 2018 and we are grateful to all members who support us. We received eight legacies in 2018; in 2017 we received six legacies. Legacies allow the Society to undertake extraordinary projects that are not affordable out of day to day resources and the significant amounts received in 2017 have enabled the major refurbishment of Priory Gardens to proceed.

Income on a recurring basis for 2018 (excluding legacy income) was £308,000, lower than the £352,000 in 2017.

	2018 £000s	2017 £000s	
Total expenditure	438	406	Total expenses up 8%
<i>Comprising:</i>			
Architectural conservation	243	206	Increase 18%
Educational activities	180	186	Decrease 3%
Fundraising	15	14	Increase 7%

Expenditure on the Society's charitable activities of architectural conservation and education continue to make up the vast majority of total expenditure. Overall, expenses were slightly higher than the 2017 level of expenditure, in part reflecting the fact that unlike in 2017 we did not have any periods with staff vacancies in 2018. The architectural conservation cost for 2018 has increased by 18%, partly for the same reason, and partly because of spending on the digitisation of the Society's photos and records (a non-recurring cost which will improve access), on fine-tuning of the Society's membership database (another non-recurring cost) and amortisation of that database.

This year the Society reported unrealised investment losses of £2,400, against gains of £6,600 last year.

Financial review (continued)

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

Net movement in resources	2018 £000s	2017 £000s
Deficit on recurring items	(130)	(54)
Legacies	<u>80</u>	<u>785</u>
Net movement in resources before valuation adjustments	(50)	731
Net (losses)/gains on investments	<u>(2)</u>	<u>7</u>
Net movement in resources after valuation adjustments	<u>(52)</u>	<u>738</u>

While the deficit on recurring items in 2018 in fact includes some significant non-recurring items of expenditure, as explained above, the steep increase highlights the challenge to the Society caused by the decline in membership and smaller events surplus. The Trustees continue to consider how best to address these issues.

Balance sheet

Net assets	2018 £000s	2017 £000s	
Total net assets	1,962	2,014	Decrease 3%
<u>Unrestricted funds:</u>			
Tangible fixed assets	244	168	Increase 45%
Intangible fixed assets	32	18	Increase 78%
Deposits and other investments	782	846	Decrease 8%
Cash balances	700	709	Decrease 1%
Other net assets/(liabilities)	<u>(44)</u>	<u>12</u>	
	<u>1,714</u>	<u>1,753</u>	Decrease 2%
<u>Restricted and Endowment funds:</u>			
Deposits, investments and cash	248	261	Decrease 5%
Other net assets/(liabilities)	<u>-</u>	<u>-</u>	
	<u>248</u>	<u>261</u>	Decrease 5%

Unrestricted funds

Unrestricted funds represent the Society's day to day operating finances. Overall, unrestricted funds showed a small decrease of 2%. As explained in note 12, in 2017 £1 million was transferred to a designated, though still unrestricted, fund for the refurbishment of the Society's headquarters, Priory Gardens. The remaining balance of this fund is £923,546, after releasing to general funds the amount incurred to date on the refurbishment. This leaves £790,553 (2017: £752,762) of general unrestricted funds. Tangible fixed assets reflect the cost of Priory Gardens, including amounts spent to date on the early stages of the refurbishment. 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 undue cost to the Society. Intangible assets represent the cost of the Society's membership and events database. The net liabilities are due to refurbishment costs incurred but not yet settled. The level of unrestricted reserves held which are not designated or invested in the Society's tangible and intangible assets, and are therefore available to finance general spending, is £514,008 (2017: £549,437).

Financial review (continued)

The deposits, other investments and cash balances are placed in accounts with a range of terms. Investment decisions are made taking into account the short- and longer-term cashflow needs of the Society and its planned activities. The Trustees are conscious of the very low returns currently available on cash holdings and regularly review whether to invest part of the Society's unrestricted funds in equity-based investments. Since the funds are essential to finance both the Priory Gardens refurbishment and the Society's day-to-day expenditure, the Trustees place great importance on capital security. This, and the benefits of liquidity, are currently considered to outweigh the inflationary risk of holding cash. By utilising deposit accounts with a number of different institutions, the investments are largely covered by the FSCS bank deposit guarantee scheme, which is a key method of managing investment risk. The higher level of investment income reported this year reflects the increased funds available, particularly from legacies received during the second part of 2017. Since the Society's funds are invested with banks and building societies, the Trustees are unable to influence the social, environmental or ethical policies of the providers used.

Reserves policy

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, particularly in view of the deficit on a recurring basis disclosed above. As the refurbishment project proceeds, an increasing proportion of the Society's unrestricted reserves will be represented by tangible assets. In considering the adequacy of the Society's reserves, the Trustees focus on its 'free' unrestricted reserves which, as disclosed above, were £514,008 at 31 December 2018 (2017: £549,437). The Trustees consider it prudent that the level of precautionary reserve should not be less than a year's expected future expenditure (excluding events expenditure since this is income-generating). Generally, allowance would also be made for ongoing property refurbishment but this is not required at present with the major refurbishment underway. At 31 December 2018, free unrestricted reserves were in excess of this level. The excess fluctuates from time to time and, due to the funds designated for the refurbishment and this year's deficit, is lower than in recent years. However, the Trustees are presently satisfied that no further action is necessary, beyond the actions they are already considering to address the deficit.

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 restricted funds are invested in cash deposits. The endowment funds are invested in a balanced managed fund which should, over time, generate both a steady income and some capital growth.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees, who are Directors for the purposes of company law, are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards) and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the company's financial activities for the year and of its financial position at the end of the year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company 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

Begbies are the Society's auditors and a resolution proposing their reappointment will be put to the annual general meeting.

The report was approved by the Board of Trustees on 2019 and signed on its behalf by

.....
Professor Hilary Grainger, Chair

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2018

Notes	Unrestricted funds £	Restricted funds £	Endowment £	Total 2018 £	Total 2017 £	
INCOME AND ENDOWMENT FROM:						
<i>Donations and Legacies</i>						
Subscriptions	129,745	-	-	129,745	141,014	
Donations	14,073	-	-	14,073	11,500	
Legacies	79,689	-	-	79,689	785,297	
<i>Investment</i>						
Dividends	8	-	-	8	8	
Rental income	9,900	-	-	9,900	9,900	
Interest	11,051	1,213	-	12,264	7,182	
<i>Charitable activities</i>						
Grants	2	-	42,615	-	42,615	43,149
Educational events and publications	3	99,035	206	-	99,241	138,080
<i>Other</i>		762	-	-	762	1,010
Total income	344,263	44,034	-	388,297	1,137,140	
EXPENDITURE ON						
<i>Raising funds</i>						
	(14,916)	-	-	(14,916)	(14,000)	
<i>Charitable activities</i>						
Architectural conservation	(200,500)	(42,642)	-	(243,142)	(205,582)	
Education	(179,529)	-	-	(179,529)	(186,033)	
Total expenditure	4	(394,945)	(42,642)	-	(437,587)	(405,615)
Net gains/(losses) on investments	9	(26)	-	(2,374)	(2,400)	6,604
Net income/(expenditure)		(50,708)	1,392	(2,374)	(51,690)	738,129
Transfers between funds		12,045	(12,045)	-	-	-
Net Movement in funds	5	(38,663)	(10,653)	(2,374)	(51,690)	738,129
RECONCILIATION OF FUNDS						
Brought forward at 1 January	1,752,762	174,587	86,135	2,013,484	1,275,355	
Carried forward at 31 December	1,714,099	163,934	83,761	1,961,794	2,013,484	

The Accounting Policies and the Notes on pages 19 to 28 form part of these financial statements.

BALANCE SHEET as at 31 DECEMBER 2018

Notes	Unrestricted	Restricted	Endowment	Total	Total	
	funds	funds		2018	2017	
	£	£	£	£	£	
TANGIBLE FIXED ASSETS	7	244,499	-	-	244,499	168,045
INTANGIBLE ASSETS	8	32,046	-	-	32,046	17,640
INVESTMENTS	9	179	75,350	83,761	159,290	161,689
		<u>276,724</u>	<u>75,350</u>	<u>83,761</u>	<u>435,835</u>	<u>347,374</u>
CURRENT ASSETS						
Stock		1,873	-	-	1,873	3,209
Debtors	10	37,860	-	-	37,860	77,016
Investments		781,818	87,098	-	868,916	943,071
Cash at bank and in hand		700,562	1,486	-	702,048	711,714
		<u>1,522,113</u>	<u>88,584</u>	<u>-</u>	<u>1,610,697</u>	<u>1,735,010</u>
CURRENT LIABILITIES						
Amounts falling due within one year	11	(84,738)	-	-	(84,738)	(68,900)
NET CURRENT ASSETS		1,437,375	88,584	-	1,525,959	1,666,110
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS						
		<u>1,714,099</u>	<u>163,934</u>	<u>83,761</u>	<u>1,961,794</u>	<u>2,013,484</u>
Represented by:						
FUNDS						
Unrestricted	12	1,714,099	-	-	1,714,099	1,752,762
Restricted	13	-	163,934	-	163,934	174,587
Endowment	14	-	-	83,761	83,761	86,135
	15	<u>1,714,099</u>	<u>163,934</u>	<u>83,761</u>	<u>1,961,794</u>	<u>2,013,484</u>

The Accounting Policies and the Notes on pages 19 to 28 form part of these financial statements.

Approved by the Board of Trustees on 2019 and signed on its behalf by

..... **Professor Hilary Grainger, Chair**

CASH FLOW STATEMENT for the year ended 31 DECEMBER 2018

	Total 2018	Total 2017
	£	£
Cash flows from operating activities:		
<i>Net cash provided by operating activities</i>	(58,405)	707,537
Cash flows from investing activities:		
Dividends and interest from investments	12,272	7,190
Purchase of investments	-	(52,000)
Maturity of investments	-	51,650
Purchase of tangible asset - refurbishment	(20,048)	-
Purchase of intangible asset	(17,640)	(17,640)
<i>Net cash (absorbed)/provided by investing activities</i>	(25,416)	(10,800)
<i>Change in cash and cash equivalents in the reporting period</i>	(83,821)	696,737
Cash and cash equivalents at the beginning of the reporting period	1,654,785	958,048
Cash and cash equivalents at the end of the reporting period	<u>1,570,964</u>	<u>1,654,785</u>

Note to the cash flow statement

	£	£
<i>Net income for the reporting period</i>	(51,690)	738,129
Adjustments for:		
Amortisation of intangible asset	3,234	-
Unrealised (gains)/losses on investments	2,400	(6,604)
Dividends and interest on investments	(12,272)	(7,190)
(Increase)/decrease in stocks	1,336	349
(Increase)/decrease in debtors	39,156	(37,776)
Increase/(decrease) in creditors	(40,569)	20,629
<i>Net cash provided by operating activities</i>	<u>(58,405)</u>	<u>707,537</u>

Reconciliation to balance sheet

	£	£
Cash at bank and in hand	702,048	711,714
Current asset investments	868,916	943,071
Total cash and cash equivalents	<u>1,570,964</u>	<u>1,654,785</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**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' (the Charities SORP (FRS 102) Revised), UK accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2006. The Society is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are prepared in Sterling, which is the functional currency of the Society.

(b) Company status

The Society is a charitable company limited by guarantee and incorporated in England & Wales. In the event of the Society being wound up, the liability in respect of the guarantee is limited to £1 per member. The registered office is 1 Priory Gardens, London, W4 1TT.

(c) Fund accounting

The Society has three types of funds, unrestricted, restricted and endowment. The unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Society. Restricted funds are funds that are to be used in accordance with specific restrictions imposed by the providers of the funds. Expendable endowment funds are intended to be used primarily to generate income. 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 and other forms of voluntary income are dealt with when the Society is legally entitled to the income and the amount can be quantified with reasonable accuracy. Legacies are recognised when it is probable that they will be received. Legacies and gifts of property, furniture and reference books are recorded at their value at the date of receipt. Sales of literature and advertising, and interest income, are dealt with on an accruals basis. Subscriptions are due on 1 March each year. They are treated as donations and are therefore recognised as received. Income from events is recognised when the event takes place. Gift aid receivable is included in the category of income to which it relates. No amounts are included in the financial statements for services donated by general volunteers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**1 Accounting Policies (continued)****(e) Recognition of expenditure**

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

(f) Assets

Tangible fixed assets are stated at cost less depreciation. Tangible 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 (antique furniture) 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 take place only in exceptional circumstances.

The membership database is recognised as an intangible asset and is stated at cost less amortisation. It is being amortised over its estimated useful life of 10 years from February 2018, when it became available for use.

Investments are stated at fair value, if they are publicly traded or their fair value can otherwise be measured reliably. Changes are recognised in income and expenditure. Other investments are stated on the basis of historical cost.

Stock is stated at the lower of cost and realisable value.

Debtors are stated at the amount expected to be recoverable.

(g) 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 and on fixtures and fittings at 20% on cost. Where assets are not subject to depreciation, an annual impairment review is performed.

(h) Allocation of expenditure

Expenses have been allocated as between direct charitable expenditure and fund-raising on the basis of expenditure incurred, pro-rated where appropriate, using the proportions of staff time engaged in these functions.

(i) Pensions

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2 Grants	2018	2017
	£	£
Historic England	40,615	41,149
Cadw	2,000	2,000
	<u>42,615</u>	<u>43,149</u>

Receipt of these two grants is conditional on the Society incurring sufficient levels of eligible expenditure during the grant years, which run to March. This will be confirmed to Historic England and to Cadw in returns submitted after the year end.

3 Educational Events	2018	2017
	£	£
Income from events	93,512	119,785
Related expenditure	(74,094)	(91,028)
Surplus from events	<u>19,418</u>	<u>28,757</u>

4 Total expenditure	Conservation	Education	Fundraising	Total 2018	Total 2017
	£	£	£	£	£
Staff	168,601	36,939	11,066	216,606	195,350
Other direct costs					
Events		74,094		74,094	91,028
<i>The Victorian</i>		32,406		32,406	32,699
<i>The Journal</i>		8,902		8,902	9,982
Casework	15,708			15,708	13,254
Publications		1,412		1,412	1,157
Other		12,876		12,876	3,867
Allocated costs					
General office costs	58,833	12,900	3,850	75,583	58,278
	<u>243,142</u>	<u>179,529</u>	<u>14,916</u>	<u>437,587</u>	<u>405,615</u>

Allocated costs are generally allocated on the basis of the proportions of staff time engaged in each aspect of the Society's work.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**4 Total expenditure (continued)**

Costs include:	2018	2017
	£	£
Auditors' remuneration		
- audit fee	4,560	4,560
Depreciation and amortisation	3,234	-
Staff costs comprise:		
- Wages & salaries	192,799	174,643
- Social security costs	14,380	12,423
- Pension costs	9,427	8,284
	<u>216,606</u>	<u>195,350</u>

The average number of staff employed during the year was 8 (2017: 8). Calculated on a full time equivalent basis, the average number during the year was 6.4 (2017: 6.3). No staff member received remuneration in excess of £60,000. The gross employment cost of key management personnel, including national insurance and pension contributions, was £49,790 (2017: £48,177).

5 Fund analysis of net income/(expenditure)

Other than as shown below, all income and expenditure for the year ended 31 December 2017 arose in Unrestricted funds:

	Unrestricted funds	Restricted funds	Endow- ment	2017 Total
	£	£	£	£
INCOME:				
Interest	5,822	1,360	-	7,182
Grants	-	43,149	-	43,149
Educational events and publications	137,282	798	-	138,080
EXPENDITURE:				
Architectural conservation	(162,321)	(43,261)	-	(205,582)
Net gains/(losses) on investments	(71)	-	6,675	6,604

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**6 Transactions with Trustees**

Four trustees (2017: four) received reimbursement of their travelling expenses totalling £1,749 (2017: £1,742) in relation to their role as Trustees or on committees. The Trustees made donations (including membership subscriptions) of £417 (2017: £365) during the year.

7 Tangible Fixed Assets

	Freehold premises £	Office equipment £	Furniture & fittings £	Total £
Cost:				
As at 1 January 2018	168,045	40,052	47,955	256,052
Additions	76,454	-	-	76,454
As at 31 December 2018	<u>244,499</u>	<u>40,052</u>	<u>47,955</u>	<u>332,506</u>
 Depreciation:				
As at 1 January & 31 December 2018	<u>-</u>	<u>40,052</u>	<u>47,955</u>	<u>88,007</u>
 Net book value:				
As at 31 December 2018	<u>244,499</u>	<u>-</u>	<u>-</u>	<u>244,499</u>
As at 31 December 2017	<u>168,045</u>	<u>-</u>	<u>-</u>	<u>168,045</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 undue cost to the Society.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**8 Intangible Assets**

	Membership database £
Cost:	
As at 1 January 2018	17,640
Additions	17,640
As at 31 December 2018	<u>35,280</u>
Amortisation:	
As at 1 January 2018	-
Charge for year	3,234
As at 31 December 2018	<u>3,234</u>
Net book value:	
As at 31 December 2018	<u>32,046</u>
As at 31 December 2017	<u>17,640</u>

The membership database became available for use for its intended purpose on 1 February 2018 and is being amortised over 10 years from that date.

9 Investments

Fixed Asset Investments	2018	2017
	£	£
Fair value as at 1 January	161,689	103,085
Additions	-	52,000
Unrealised revaluation gains/(losses)	(2,400)	6,604
Fair value as at 31 December	<u>159,289</u>	<u>161,689</u>

Investments comprise:

- Units in the COIF Charities Investment Fund, managed by CCLA, with an historical cost of £65,897. The Fund is managed to grow the real value of investors' capital and income over the long-term, whilst keeping risk levels sensibly under control. At 31 December 2018 the price of income units was 1432.62p (2017: 1476.90p). The units are valued by CCLA based on the values of the underlying investments. Quoted investments are valued at bid prices and unquoted investments by the CCLA fund manager, based on information provided by the manager of the underlying investment. The Fund exposes the Society principally to market price risk, but also to currency, credit and liquidity risk, although CCLA states that it believes that the Fund is able to make redemptions required by unitholders.

- Bequest of 75 shares in BT which are stated at the quoted market price in an active market. The closing market value as at 31 December 2018 was £179 (2017: £204) and the total amount of dividends received during the year came to £8 (2017: £8).

- Term deposits held with Lloyds Bank, maturing in 2020, which are carried at historical cost.

Current Asset Investments

Investments in 2018 and 2017 comprise cash on deposit with UK institutions, held at historical cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

10 Debtors	2018	2017
	£	£
Other debtors and prepayments	2,673	9,233
Accrued income	35,187	67,783
	<u>37,860</u>	<u>77,016</u>
	<u><u>37,860</u></u>	<u><u>77,016</u></u>
11 Liabilities: Amounts falling due within one year	2018	2017
	£	£
Trade creditors	3,432	12,923
Accruals	65,822	29,933
PAYE & Pension	6,135	17,106
Deferred income	9,349	8,938
	<u>84,738</u>	<u>68,900</u>
	<u><u>84,738</u></u>	<u><u>68,900</u></u>

Deferred income represents income received in advance for events held after the year end. All deferred income is released within 12 months.

12 Unrestricted funds

	Refurbish- ment Fund	General Funds	Total
	£	£	£
Balance at 1 January 2017		1,012,137	1,012,137
Transfer during the year	1,000,000	(1,000,000)	-
Net income for the year	-	729,408	729,408
Transfer from restricted funds	-	11,217	11,217
Balance at 1 January 2018	<u>1,000,000</u>	<u>752,762</u>	<u>1,752,762</u>
Transfer during the year	(76,454)	76,454	-
Net income for the year	-	(50,708)	(50,708)
Transfer from restricted funds	-	12,045	12,045
Balance at 31 December 2018	<u><u>923,546</u></u>	<u><u>790,553</u></u>	<u><u>1,714,099</u></u>

While the eventual cost of the significant refurbishment of Priory Gardens cannot yet be determined, on the basis of the preliminary estimates of cost the Trustees resolved in 2017 to transfer £1 million into a separate Refurbishment Fund, within Unrestricted Funds. During 2018, preliminary costs were incurred and capitalised. An equivalent amount has been transferred from the Refurbishment Fund to General Funds.

Total unrestricted funds are made up as follows:

	2018	2017
	£	£
Tangible and intangible fixed assets	276,545	185,685
Fixed asset investments	179	204
Net current assets	<u>1,437,375</u>	<u>1,566,873</u>
	<u><u>1,714,099</u></u>	<u><u>1,752,762</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

13 Restricted funds

	Pevsner Memorial Essay Fund	Mary Heath Trust	Grants	Total
	£	£	£	£
Balance at 1 January 2017	11,625	172,133	-	183,758
Receivable during the year				
-Grants	-	-	43,149	43,149
-Interest	-	1,360	-	1,360
-Other income	-	798	-	798
	<u>11,625</u>	<u>174,291</u>	<u>43,149</u>	<u>229,065</u>
Applied during the year	-	(112)	(43,149)	(43,261)
Transfer to unrestricted funds	-	(11,217)	-	(11,217)
Balance at 1 January 2018	11,625	162,962	-	174,587
Receivable during the year				
-Grants	-	-	42,615	42,615
-Interest	-	1,213	-	1,213
-Other income	-	206	-	206
	<u>11,625</u>	<u>164,381</u>	<u>42,615</u>	<u>218,621</u>
Applied during the year	-	(27)	(42,615)	(42,642)
Transfer to unrestricted funds	-	(12,045)	-	(12,045)
Balance at 31 December 2018	11,625	152,309	-	163,934
comprising:				
2017				
Fixed asset investments	-	75,350	-	75,350
Current asset investments	11,625	85,476	-	97,101
Cash at bank	-	2,136	-	2,136
	<u>11,625</u>	<u>162,962</u>	<u>-</u>	<u>174,587</u>
2018				
Fixed asset investments	-	75,350	-	75,350
Current asset investments	11,625	75,473	-	87,098
Cash at bank	-	1,486	-	1,486
	<u>11,625</u>	<u>152,309</u>	<u>-</u>	<u>163,934</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'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**13 Restricted funds (continued)****Grants**

Historic England provides funds for the Society's casework in England. **Cadw** provides funds for the Society's casework in Wales.

The entire amount of grants receivable is shown as applied during the year to which they relate. There is a debtor at the year end for grants not yet received which is included within accrued income, reported as part of unrestricted funds.

14 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. The fund is represented by investments of £83,761 (2017: £86,135) and movements on the fund are set out in the Statement of Financial Activities. Interest income of £2,913 (2017: £2,853) was received during the year and taken to unrestricted funds.

15 Reserves adequacy

The levels of restricted and endowment funds are considered satisfactory to fulfil the obligations the Society took on in accepting those funds.

Note 12 discloses the split of unrestricted funds between fixed and current assets. 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. In order better to disclose the level of 'free' reserves, now that the project to refurbish the Society's headquarters has commenced, in 2017 the Trustees transferred £1 million to a designated reserve, as disclosed in Note 11. This is the upper limit of the currently-expected cost of this significant project.

The Trustees consider it prudent that the level of precautionary reserve should not be less than 12 months' expected future expenditure (excluding events expenditure since this is income-generating - see Note 3). Generally, an allowance would also be made for ongoing property refurbishment but this is not required at present with the major refurbishment underway. At 31 December 2018, the Society's free unrestricted reserves amounted to £514,008 (2017: £549,437) and were in excess of this level. The excess fluctuates from time to time and, due to the funds designated for the refurbishment and this year's deficit, is lower than in recent years. However, the Trustees are presently satisfied that no action is necessary, beyond the actions that they are already considering to address the deficit.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**16 Statutory and general information**

This note contains information required by the Companies Act and the Charities SORP (FRS 102):

(i) In relation to the statement of financial activities

In accordance with the Charities SORP (FRS 102), the Society is required to disclose a summary income and expenditure account:

	2018	2017
	£	£
Total income	388,297	1,137,140
Total expenditure	<u>(437,587)</u>	<u>(405,615)</u>
Net (deficit)/income for the year before gains/losses on investment assets	(49,290)	731,525
Unrealised gains/(losses) on investment assets, excluding endowment funds	<u>(26)</u>	<u>(71)</u>
Net (deficit)/income for the year, excluding endowment funds	<u><u>(49,316)</u></u>	<u><u>731,454</u></u>

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 2018 and 2017 other than as stated in the financial statements.

The Society had no capital commitments at 31 December 2018 (2017: £17,640).

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of The Victorian Society (the "Charitable Company") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members those matters we are required to state to them in an auditor's 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 Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the directors' report) have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2018 (continued)

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Katherine Dee FCA (Senior Statutory Auditor)

For and on behalf of Begbies Chartered Accountants, Statutory Auditor

9 Bonhill Street

London

EC2A 4DJ

Date: