

# Annual Report and Financial Statements

Year Ended 31 December 2019

**THE VICTORIAN  
SOCIETY**

THE VICTORIAN SOCIETY

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# People

## Patron

HRH The Duke of Gloucester KG, GCVO

## President

Griff Rhys Jones

## Vice Presidents

Sir David Cannadine

The Lord Howarth of Newport CBE

Sir Simon Jenkins

Fiona MacCarthy OBE (*died 29 February 2020*)

## TRUSTEES AND DIRECTORS OF THE COMPANY

Professor Hilary Grainger OBE, *Chair*

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*

Henry Sainty, *Non-executive (from 10 February 2020)*

Kit Wedd, *Non-executive (from 26 July 2019)*

Ann Wilks CBE, *Non-executive*

## REGIONAL GROUP CHAIRS

*Birmingham* Stephen Hartland

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

*Liverpool* Tony Murphy

*Manchester* David Astbury

*Wales* Elaine Davey

*South Yorkshire* Valerie Bayliss CB

## EVENTS COMMITTEE

Michael Hall, *Chairman*

Julie Ashdown

Joanna Banham

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

**NORTHERN BUILDINGS COMMITTEE (continued)**

Andy Foster  
Dr Chris Hammond  
Kate Martyn  
Becky Mills  
Emma Neil  
John Prichard  
Dominic Roberts  
Kathryn Sather  
Richard Tinker  
Mark Watson

**SOUTHERN BUILDINGS COMMITTEE**

John Scott, *Chairman*  
Dr Timothy Brittain-Catlin  
Dr Edward Diestelkamp  
Dr Brent Elliott  
Alec Forshaw  
Maggie Goodall  
Elain Harwood  
Peter Howell  
Charles Lawrence  
Edward Lewis  
David McDonald  
Benedict O'Looney  
Hannah Parham  
Heloise Palin  
Mark Price  
Dr Aileen Reid  
Professor Andrew Saint  
Teresa Sladen

**STAFF**

**Director of the Society** Christopher Costelloe

**Conservation Advisers**

James Hughes  
Tim Bridges  
Olivia Stockdale (*from 18 March 2019*)  
Tom Taylor

**Media Officer** Molly Murray-Ayres (*from 6 March 2019*)

**Administrator** Richard Seedhouse

**Events Administrator** Jane Jephcote

**BANKERS**

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COIF Charities Funds, 80 Cheapside, London EC2V 6DZ

**AUDITORS**

Begbies, 9 Bonhill Street, London EC2A 4DJ

## Chair's Introduction

2019 proved to be something of a milestone in the Victorian Society's recent history with the refurbishment of our headquarters in Priory Gardens. The Trustees would like to thank the Director and staff for all their hard work in vacating the premises and relocating in central London while continuing to shoulder a continuous workload. As Kit Wedd's excellent article in the March edition of *The Victorian* attests, the completed project serves as an exemplar of the refurbishment of a Victorian building. The care and attention taken by architect John Scott and his building contractors were of the highest professional levels. The Trustees would like to take this opportunity to thank everyone involved in the organisation and execution of the work. We would also like to extend our particular thanks to members and friends of the Society for their extraordinary generosity in funding a range of additional decorative features - and to the donors of the office furniture which has enhanced the working environment of the staff.

As the time of the compilation of this Report, the UK is encountering unprecedented challenges brought about by the Coronavirus pandemic. The Society has responded promptly by arranging for staff to work from home so as to continue to undertake casework, media work and other administration. Staff are holding online meetings and casework is continuing as normal although it is likely to decrease in intensity as the lockdown prevails. Our media presence has been increasing over the past year as a result of the media strategy and is proving invaluable at the moment in communicating news to members and affiliated organisations.

Sadly, events have had to be postponed, including the AGM in Nottingham, until such time as it is safe to resume our planned programmes across the country. All charities will be facing unprecedented challenges, not least the cessation of fund-raising activities. The Trustees are confident that members and volunteers across the Regions will continue to provide resolute and sustained support for our core business wherever possible.

Looking ahead, members will have read that our Director, Chris Costelloe, is leaving. The Trustees would like to take this opportunity to thank him for all his work for the Society over the last decade. Chris has made a considerable contribution, particularly in the area of casework, which is central to the Society's purpose. His oversight and organisation of both the move and the recent changes in working patterns has been invaluable. We wish him every success in the future. The recruitment process for his successor is underway, candidates have been shortlisted and interviews will take place as soon as the current situation is resolved.

The Society is relying on the continued support and loyalty of its committed membership in these difficult times. The Trustees very much look forward to seeing you all at the rearranged events and hope that everyone remains safe and in good health.

**Professor Hilary Grainger OBE**

Chair

## 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 these particularly troubled times, 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 2019 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 2020 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

**6,600 notifications received**

**3,489 identified as our period**

**363 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 2.8 full-time equivalent conservation advisers based in London (2018: 2.6) , 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 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 2019 we received 6,600 notifications of proposals to historic buildings (5,855 in 2018). Of the notifications received and logged, 3,489 related to Victorian or Edwardian buildings (2,630 in 2018), each of which has to be investigated by our staff to see if it is of concern to us, and we gave detailed responses to 363 (351 in 2018).

Included in the figures above are the 712 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 (614 in 2018).

We receive a grant towards our listed buildings casework from Historic England, which has extended this funding until March 2021. We are very grateful for this, but 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

**2,577 members**

**22,685 followers on Twitter**

**5,374 Facebook followers**

**5,122 Facebook page likes**

**1,517 Instagram followers**

### **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 2,577 (2,677 in 2018). 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 2019, Gift Aid added £24,505 (£20,660 in 2018) to our funds.

Legacies are also tremendously important. In 2019 we received five legacies totalling £53,246 (eight in 2018 totalling £79,689). Legacy income funds the continuing series of Journals, including the February 2019 one on Thomas Rickman & the Victorians.

Legacy income is also vital to the funding of special projects that would otherwise be unaffordable, such as the refurbishment of our headquarters. 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](mailto: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 particularly celebrate the work of Geoffrey Davies, who has for many years tirelessly been indexing our photo and slide collection, a process now nearing completion.

### **Social media**

Social media is becoming an increasingly important tool for the Victorian Society. We use social media to rally support for our campaigns: often journalists will contact us after having seen a social media post. We have been placing a special emphasis on nurturing relationships with supporters of influence – people with a large following on social media. Some examples of celebrities who shared our Top 10 Endangered Buildings list with their many followers include Stephen Fry, Jenny Éclair, Alan Davies, Suzannah Lipscomb, David Olusoga and many more.

**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.

**Top Ten Endangered Buildings**

The 2019 Top 10 Endangered Buildings campaign brought vital publicity to buildings in dire need of our help. Our annual campaign aims to cast a light on forgotten buildings up and down the country. When deciding the final list, we think carefully about which buildings would gain the most from being featured.

This year our campaign succeeded in giving a number of small campaign groups more of a platform on which to make their voices heard. 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 Chatterley Whitfield Colliery in Staffordshire and enabled them to be featured in an ITV feature about the plight of the colliery. The Queensbury Tunnel in Yorkshire received a significant amount of publicity after being featured in our endangered list. We have spent a lot of time and effort liaising with the Queensbury Tunnel Society and have provided them with a wider audience. Additionally, we have succeeded in providing the campaign group fighting to save Cowbridge School in Wales with hundreds more signatures on their petition.

Our 2019 Top 10 campaign recorded a significant surge in page views on our website. We reached far more people through our 2019 campaign than we did in 2018. For example, when looking at our announcement tweet, the insights tell us that in 2018 the tweet directed 731 people to our website, whereas this year 5,908 visited our website from our announcement tweet.

**Press**

In 2019 we issued dozens of press releases, leading to hundreds of articles in both national and local newspapers mentioning our campaigns, and we made several appearances on television and radio. This year our Director spoke to BBC World Service about Smithfield General Market, and The Observer ran a piece publicising our call for councils to do more to protect historic buildings. Another highlight came with a prominent piece in The Times on one of our Top 10 Buildings, Shadwell Court in Norfolk. News of our campaigns is reported on our website, which attracts many thousands of visits annually. This year we have formed strong new working relationships with key journalists, including two key figures at The Guardian and one at The Telegraph. This has directly resulted in national press coverage in these papers both during and separately from the Top 10 campaign. We plan to continue developing our relationships with journalists and working on other ways of attracting public attention to our campaigns.

## 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

**97 events in 2019, organised by volunteers**

**2,054 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 Great Cities, including New York City, Paris, Belfast, Edinburgh, Hull, Liverpool and Cambridge. The autumn series, organised by Neil Jackson, looked at British Architecture Abroad, examining how the Victorians and Edwardians took their architectural message around the globe and how their host countries, whether British colonies or foreign states, received it. Speakers included Philip Davies on British Architecture in Burma and Michael Hall on Bodley's cathedrals around the world. We also hosted a supper lecture called Goths versus Romans: the battle for the Foreign Office. A successful study day was held on urban cemeteries in nineteenth-century England.

### **Visits**

One of the highlights of the events programme this year was the AGM weekend based in Scarborough, which was a celebration of the Victorian seaside, including walks in Scarborough itself and visits to Ravenscar and Saltburn-by-the-Sea. We also organised a weekend in Newport and day trips to Audley End and Saffron Walden, Kings Lynn, the Red House, Godalming and the Watts Gallery, Charterhouse School and Whiteley Village, Aldershot, and Cambridge.

Some of the other visits and walks included the South London Gallery and Fire Station in Peckham and Camberwell, St Mary Magdalene in Paddington, and a visit to view the Cowtan wallpaper books at the Victoria & Albert Museum.

In 2019 the Society held at least 42 lectures (45 in 2018), 3 study days (4), 2 weekends away (3), 12 day trips (16) and 38 visits or walks (32), a total of 97 events (100) or on average about two events every week around the country. We processed over 2,054 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](mailto:events@victoriansociety.org.uk).

### ***The Victorian***

We published three issues of our magazine, *The Victorian*, edited by Jeremy Musson. As well as the regular casework reviews, in March we looked at the architectural legacy of Ruskin, how nineteenth-century archaeological discoveries in India changed history and the rescue of St Mary's Paddington. In July we focused on the work of Sir Horace Jones, especially Tower Bridge, the revisions on Nairn's West Sussex and the work to convert a redundant industrial building into the Cornwall Archive Centre. In November we looked at the new Heritage Action Zones initiative, interviewed under 35s working in the field of Victorian architectural history and heritage, and looked at the Top Ten most endangered buildings for 2019.

### ***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. 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. 2019 saw the publication by the Society's Manchester Group of an online Biographical Dictionary of Greater Manchester Architects, 1800-1940, a major contribution to architectural scholarship in the north west. We are currently producing the first two volumes in a series of short monographs on Victorian and Edwardian architects to be published with Liverpool University Press and Historic England.

# Report of the Trustees / Directors for the year ending 31 December 2019

## 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 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.

### Management

The Board of Trustees currently comprises ten 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

	2019 £000s	2018 £000s	
<b>Total income</b>	<b>371</b>	<b>388</b>	<b>Total income down 4%</b>
<i>Comprising:</i>			
Subscription income	135	130	Increase 4%
Donations	39	14	Increase 179%
Legacies	53	80	Decrease (non-recurring)
Rental income	2	10	Flat closed for refurbishment
Other investment income	12	12	Stable
Grants	42	42	Stable
Educational events and publications	88	99	Decrease 11%
Other	-	1	Decrease (non-recurring)

Subscription income was up by 4%, primarily reflecting an increase in gift aid received. Our grant income was stable, as was investment income. Donations increased substantially in 2019 due to a special appeal for the refurbishment of the Society's headquarters which raised £30,933 and we are grateful to all members who supported us, not only with this but with general donations. We received five legacies in 2019; in 2018 we received eight legacies. Legacies allow the Society to undertake extraordinary projects, such as the refurbishment, that are not affordable out of day-to-day resources.

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 £19,418 to £14,378 (see Note 3 to the accounts), a drop of 26%, reflecting an average reduction in profitability on the events held.

Income on a recurring basis for 2019 (excluding legacy income and donations for the refurbishment) was £286,955, lower than the £308,000 in 2018.

	2019 £000s	2018 £000s	
<b>Total expenditure</b>	<b>457</b>	<b>438</b>	<b>Total expenses up 4%</b>
<i>Comprising:</i>			
Architectural conservation	274	243	Increase 13%
Educational activities	167	180	Decrease 7%
Fundraising	16	15	Increase 7%

Expenditure this year included £39,195 related to the refurbishment, principally the rent payable while we were away from Priory Gardens. Excluding these costs, total expenditure was £417,951, a decrease of 4%. This was due to staff vacancies early in 2019 and the fact that we didn't produce a new Journal in the year. These factors counteracted higher IT costs, related to the new membership database and online booking system, and the cost of producing The Victorian being rather higher than in 2018. The Birmingham & West Midlands Group made a donation of £2,600 for the restoration of the wonderful Burne-Jones windows in Birmingham Cathedral during the year, following a successful day school held on the topic.

This year the Society reported unrealised investment gains of £15,182, against losses of £2,400 last year.

**Financial review (continued)**

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

<b>Net movement in resources</b>	<b>2019</b> £000s	<b>2018</b> £000s
Deficit on recurring items	(131)	(130)
Refurbishment-related net costs	(8)	-
Legacies	<u>53</u>	<u>80</u>
Net movement in resources before valuation adjustments	(86)	(50)
Net (losses)/gains on investments	<u>15</u>	<u>(2)</u>
Net movement in resources after valuation adjustments	<u>(71)</u>	<u>(52)</u>

The stable level of the deficit on a recurring basis 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**

<b>Net assets</b>	<b>2019</b> £000s	<b>2018</b> £000s	
<b>Total net assets</b>	<b>1,891</b>	<b>1,962</b>	<b>Decrease 4%</b>
<u>Unrestricted funds:</u>			
Tangible fixed assets	1,135	244	Increase 365%
Intangible fixed assets	29	32	Decrease 9%
Deposits and other investments	334	782	Decrease 57%
Cash balances	175	700	Decrease 75%
Other net assets/(liabilities)	<u>(34)</u>	<u>(44)</u>	Improvement 23%
	<u>1,639</u>	<u>1,714</u>	Decrease 4%
<u>Restricted and Endowment funds:</u>			
Deposits, investments and cash	252	248	Increase 2%
Other net assets/(liabilities)	<u>-</u>	<u>-</u>	
	<u>252</u>	<u>248</u>	Increase 2%

**Unrestricted funds**

Unrestricted funds represent the Society's day to day operating finances. Overall, unrestricted funds showed a small decrease of 4%. During the year, the Society's headquarters, Priory Gardens, has undergone a major refurbishment. This is reflected in the substantial increase in tangible fixed assets resulting from the refurbishment, and the substantial decrease in investments and cash balances resulting from the expenditure on 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 (nor held for capital commitments), and are therefore available to finance general spending, is £445,877 (2018: £514,008).

## 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. However, the Society's investments have been reduced significantly, as expected, by the cost of the refurbishment of Priory Gardens, and the Trustees place great importance on capital security for the remainder. 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. 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 a result of the refurbishment project, a substantial proportion of the Society's unrestricted reserves is now 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 £445,877 at 31 December 2019 (2018: £514,008). 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), plus an allowance for ongoing property refurbishment. At 31 December 2019, free unrestricted reserves were in excess of this level. The excess fluctuates from time to time but, due to the funds utilised for the refurbishment and the recurring deficits, is lower than in previous 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 ..... 2020 and signed on its behalf by

.....  
Professor Hilary Grainger, Chair

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2019

Notes	Unrestricted funds	Restricted funds	Endowment	Total 2019	Total 2018
	£	£	£	£	£
<b>INCOME AND ENDOWMENT FROM:</b>					
<b><i>Donations and Legacies</i></b>					
Subscriptions	134,720	-	-	134,720	129,745
Donations	8,096	30,933	-	39,029	14,073
Legacies	53,246	-	-	53,246	79,689
<b><i>Investment</i></b>					
Dividends	12	-	-	12	8
Rental income	1,725	-	-	1,725	9,900
Interest	10,861	1,263	-	12,124	12,264
<b><i>Charitable activities</i></b>					
Grants	2	-	42,615	-	42,615
Educational events and publications	3	87,320	343	-	87,663
<b><i>Other</i></b>		-	-	-	762
<b>Total income</b>	<b>295,980</b>	<b>75,154</b>	<b>-</b>	<b>371,134</b>	<b>388,297</b>
<b><i>Including refurbishment-related:</i></b>					
	-	30,933	-	30,933	-
<b>EXPENDITURE ON</b>					
<b><i>Raising funds</i></b>					
	(16,611)	-	-	(16,611)	(14,916)
<b><i>Charitable activities</i></b>					
Architectural conservation	(230,856)	(42,630)	-	(273,486)	(243,142)
Education	(167,049)	-	-	(167,049)	(179,529)
<b>Total expenditure</b>	<b>4</b>	<b>(414,516)</b>	<b>(42,630)</b>	<b>(457,146)</b>	<b>(437,587)</b>
<b><i>Including refurbishment-related:</i></b>					
	(39,195)	-	-	(39,195)	-
Net gains/(losses) on investments	9	(34)	-	15,216	15,182
<b>Net income/(expenditure)</b>		<b>(118,570)</b>	<b>32,524</b>	<b>15,216</b>	<b>(70,830)</b>
Transfers between funds		43,043	(43,043)	-	-
<b>Net Movement in funds</b>	<b>6</b>	<b>(75,527)</b>	<b>(10,519)</b>	<b>15,216</b>	<b>(51,690)</b>
<b>RECONCILIATION OF FUNDS</b>					
Brought forward at 1 January		1,714,099	163,934	83,761	1,961,794
Carried forward at 31 December		<b>1,638,572</b>	<b>153,415</b>	<b>98,977</b>	<b>1,890,964</b>
				<b>1,890,964</b>	<b>1,961,794</b>

The Accounting Policies and the Notes on pages 20 to 29 form part of these financial statements.

Note 6 analyses the 2018 net income/(expenditure) between Unrestricted, Restricted and Endowment funds.

**BALANCE SHEET as at 31 DECEMBER 2019**

	Notes	Unrestricted funds £	Restricted funds £	Endowment £	Total 2019 £	Total 2018 £
<b>TANGIBLE FIXED ASSETS</b>	<b>7</b>	1,135,120	-	-	1,135,120	244,499
<b>INTANGIBLE ASSETS</b>	<b>8</b>	28,518	-	-	28,518	32,046
<b>INVESTMENTS</b>	<b>9</b>	144	-	98,977	99,121	159,290
		<u>1,163,782</u>	<u>-</u>	<u>98,977</u>	<u>1,262,759</u>	<u>435,835</u>
<b>CURRENT ASSETS</b>						
Stock		-	-	-	-	1,873
Debtors	<b>10</b>	44,583	-	-	44,583	37,860
Investments		334,478	151,909	-	486,387	868,916
Cash at bank and in hand		174,946	1,506	-	176,452	702,048
		<u>554,007</u>	<u>153,415</u>	<u>-</u>	<u>707,422</u>	<u>1,610,697</u>
<b>CURRENT LIABILITIES</b>						
Amounts falling due within one year	<b>11</b>	<u>(79,217)</u>	<u>-</u>	<u>-</u>	<u>(79,217)</u>	<u>(84,738)</u>
<b>NET CURRENT ASSETS</b>		474,790	153,415	-	628,205	1,525,959
<b>TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS</b>						
		<u><u>1,638,572</u></u>	<u><u>153,415</u></u>	<u><u>98,977</u></u>	<u><u>1,890,964</u></u>	<u><u>1,961,794</u></u>
Represented by:						
<b>FUNDS</b>						
Unrestricted	<b>12</b>	1,638,572	-	-	1,638,572	1,714,099
Restricted	<b>13</b>	-	153,415	-	153,415	163,934
Endowment	<b>14</b>	-	-	98,977	98,977	83,761
	<b>15</b>	<u><u>1,638,572</u></u>	<u><u>153,415</u></u>	<u><u>98,977</u></u>	<u><u>1,890,964</u></u>	<u><u>1,961,794</u></u>

The Accounting Policies and the Notes on pages 20 to 29 form part of these financial statements.

Approved by the Board of Trustees on ..... 2020 and signed on its behalf by

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

**CASH FLOW STATEMENT for the year ended 31 DECEMBER 2019**

	<b>Total 2019</b>	<b>Total 2018</b>
	£	£
<b>Cash flows from operating activities:</b>		
<i>Net cash provided by operating activities</i>	(86,531)	(58,405)
<b>Cash flows from investing activities:</b>		
Dividends and interest on investments	12,136	12,272
Purchase of tangible asset - office equipment	(5,915)	-
Purchase of tangible asset - fixtures & fittings	-	-
Purchase of tangible asset - refurbishment	(903,165)	(20,048)
Purchase of intangible asset	-	(17,640)
<i>Net cash (absorbed)/provided by investing activities</i>	(896,944)	(25,416)
<i>Change in cash and cash equivalents in the reporting period</i>	(983,475)	(83,821)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	1,570,964	1,654,785
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>587,489</u>	<u>1,570,964</u>

**Note to the cash flow statement**

	£	£
<b><i>Net income for the reporting period</i></b>	(70,830)	(51,690)
Adjustments for:		
Amortisation of intangible asset	3,528	3,234
Depreciation of tangible assets	936	-
Donation of tangible assets	(2,200)	-
Unrealised (gains)/losses on investments	(15,182)	2,400
Dividends and interest on investments	(12,136)	(12,272)
(Increase)/decrease in stocks	1,873	1,336
(Increase)/decrease in debtors	(6,723)	39,156
Increase/(decrease) in creditors	14,203	(40,569)
<b><i>Net cash provided by operating activities</i></b>	<u>(86,531)</u>	<u>(58,405)</u>

**Reconciliation to balance sheet**

	£	£
Cash at bank and in hand	176,452	702,048
Current asset investments that are cash equivalents	411,037	868,916
Total cash and cash equivalents	<u>587,489</u>	<u>1,570,964</u>
Current asset investments that are not cash equivalents	75,350	
	<u>662,839</u>	

There was no net debt at 31 December 2019 (2018: none).

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****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 on a going concern basis and the trustees consider that there are no material uncertainties about the Society's ability to continue as a going concern. Note 15 contains further analysis of the sufficiency of the Society's reserves.

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 2019****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 at 20% on cost and on fixtures and fittings at 10% 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 fundraising 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 2019

<b>2 Grants</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Historic England	40,615	40,615
Cadw	2,000	2,000
	<u>42,615</u>	<u>42,615</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.

<b>3 Educational Events</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Income from events	80,573	93,512
Related expenditure	(66,195)	(74,094)
Surplus from events	<u>14,378</u>	<u>19,418</u>

<b>4 Total expenditure</b>	<b>Conservation</b>	<b>Education</b>	<b>Fundraising</b>	<b>Total 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Staff	163,899	35,722	10,506	210,127
<b>Other direct costs</b>				
Events	-	66,195	-	66,195
<i>The Victorian</i>	-	35,883	-	35,883
Casework	14,355	-	-	14,355
Publications	-	-	-	-
Other	-	8,493	-	8,493
<b>Allocated costs</b>				
General office costs	64,660	14,093	4,145	82,898
Related to refurbishment	30,572	6,663	1,960	39,195
	<u>273,486</u>	<u>167,049</u>	<u>16,611</u>	<u>457,146</u>

Allocated costs are generally allocated on the basis of the proportions of stafftime engaged in each aspect of the Society's work. The costs related to the refurbishment were principally rent paid for the Society's temporary premises and removal costs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## 4 Total expenditure (continued)

	Conservation £	Education £	Fundraising £	Total 2018 £
Staff	168,601	36,939	11,066	216,606
<b>Other direct costs</b>				
Events		74,094		74,094
<i>The Victorian</i>		32,406		32,406
<i>The Journal</i>		8,902		8,902
Casework	15,708			15,708
Publications		1,412		1,412
Other		12,876		12,876
<b>Allocated costs</b>				
General office costs	58,833	12,900	3,850	75,583
	<u>243,142</u>	<u>179,529</u>	<u>14,916</u>	<u>437,587</u>

Costs include:	2019 £	2018 £
Auditors' remuneration		
- audit fee	4,560	4,560
Depreciation and amortisation	4,464	3,234
Staff costs comprise:		
- Wages & salaries	186,918	192,799
- Social security costs	13,785	14,380
- Pension costs	9,424	9,427
	<u>210,127</u>	<u>216,606</u>

The average number of staff employed during the year was 8 (2018: 8). Calculated on a full time equivalent basis, the average number during the year was 6.6 (2018: 6.4). 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 £51,207 (2018: £49,790).

## 5 Transactions with Trustees

No trustee (2018: none) was in receipt of remuneration or employment benefits. Five trustees (2018: four) received reimbursement of their travelling expenses totalling £2,080 (2018: £1,749) in relation to their role as Trustees or on committees. The Trustees made donations (including membership subscriptions) of £449 (2018: £417) during the year.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## 6 Fund analysis of net income/(expenditure) for the comparative year

	Unrestricted funds £	Restricted funds £	Endow- ment £	2018 Total £
<b>INCOME:</b>				
Subscriptions	129,745	-	-	129,745
Donations	14,073	-	-	14,073
Legacies	79,689	-	-	79,689
Dividends and interest	11,059	1,213	-	12,272
Rental income	9,900	-	-	9,900
Grants	-	42,615	-	42,615
Educational events and publications	99,035	206	-	99,241
Other	762	-	-	762
<b>Total income</b>	<b>344,263</b>	<b>44,034</b>	<b>-</b>	<b>388,297</b>
<b>EXPENDITURE:</b>				
Raising funds	(14,916)	-	-	(14,916)
Architectural conservation	(200,500)	(42,642)	-	(243,142)
Education	(179,529)	-	-	(179,529)
<b>Total expenditure</b>	<b>(394,945)</b>	<b>(42,642)</b>	<b>-</b>	<b>(437,587)</b>
Net gains/(losses) on investments	(26)	-	(2,374)	(2,400)
<b>Net income/(expenditure)</b>	<b>(50,708)</b>	<b>1,392</b>	<b>(2,374)</b>	<b>(51,690)</b>

## 7 Tangible Fixed Assets

	Freehold premises £	Office equipment £	Furniture & fittings £	Total £
<b>Cost:</b>				
As at 1 January 2019	244,499	40,051	47,955	332,505
Disposals (scrapped)	-	(22,111)	(41,362)	(63,473)
Additions	869,097	5,915	16,545	891,557
As at 31 December 2019	<b>1,113,596</b>	<b>23,855</b>	<b>23,138</b>	<b>1,160,589</b>
<b>Depreciation:</b>				
As at 1 January 2019	-	40,051	47,955	88,006
On disposals	-	(22,111)	(41,362)	(63,473)
Charge for year	-	936	-	936
As at 31 December 2019	-	<b>18,876</b>	<b>6,593</b>	<b>25,469</b>
<b>Net book value:</b>				
As at 31 December 2019	<b>1,113,596</b>	<b>4,979</b>	<b>16,545</b>	<b>1,135,120</b>
As at 31 December 2018	<b>244,499</b>	<b>-</b>	<b>-</b>	<b>244,499</b>

The freehold premises are occupied by the Society as offices and surplus space is rented out. The market value of the premises is estimated to exceed substantially the book value in these financial statements. No formal valuation has been obtained since this would incur undue cost to the Society.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

**8 Intangible Assets**

	<b>Membership database £</b>
<b>Cost:</b>	
As at 1 January and 31 December 2019	<u>35,280</u>
<b>Amortisation:</b>	
As at 1 January 2019	3,234
Charge for year	<u>3,528</u>
As at 31 December 2019	<u>6,762</u>
<b>Net book value:</b>	
As at 31 December 2019	<u><u>28,518</u></u>
As at 31 December 2018	<u><u>32,046</u></u>

**9 Investments**

<b>Fixed Asset Investments</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fair value as at 1 January	159,289	161,689
Additions	-	-
Reclassification to current asset investments	(75,350)	-
Unrealised revaluation gains/(losses)	<u>15,182</u>	<u>(2,400)</u>
Fair value as at 31 December	<u><u>99,121</u></u>	<u><u>159,289</u></u>

Investments comprise:

- Endowment fund: Units in the COIF Charities Investment Fund, managed by CCLA, with an historical cost of £65,897 (2018: £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 2019 the price of income units was 1692.87p (2018: 1432.62p). 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.

- Unrestricted funds: 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 2019 was £144 (2018: £179) and the total amount of dividends received during the year came to £12 (2018: £8).

- Restricted funds: In 2018, term deposits held with Lloyds Bank, maturing in 2020, which are carried at historical cost.

**Current Asset Investments**

Investments in 2018 comprised cash on deposit with UK institutions, held at historical cost. In 2019 they include also the term deposits previously classified as fixed asset investments, since they mature within twelve months of the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10 Debtors	2019	2018
	£	£
Trade debtors	2,251	-
Other debtors and prepayments	1,871	2,673
Accrued income	40,461	35,187
	<u>44,583</u>	<u>37,860</u>

11 Liabilities: Amounts falling due within one year	2019	2018
	£	£
Trade creditors	8,089	3,432
Accruals	56,088	65,822
PAYE & Pension	6,750	6,135
Deferred income	8,290	9,349
	<u>79,217</u>	<u>84,738</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
	£	£	£
<b>Balance at 1 January 2018</b>	1,000,000	752,762	1,752,762
Transfer during the year	(76,454)	76,454	-
Net income/(expenditure) for the year	-	(50,708)	(50,708)
Transfer from restricted funds	-	12,045	12,045
<b>Balance at 1 January 2019</b>	<u>923,546</u>	<u>790,553</u>	<u>1,714,099</u>
Transfer during the year	(923,546)	923,546	-
Net income/(expenditure) for the year	-	(118,570)	(118,570)
Transfer from restricted funds	-	43,043	43,043
<b>Balance at 31 December 2019</b>	<u>-</u>	<u>1,638,572</u>	<u>1,638,572</u>

The significant refurbishment of Priory Gardens was completed in November 2019, subject only to snagging and other minor works. The balance of the Refurbishment Fund has therefore been transferred to General Funds.

Total unrestricted funds are made up as follows:

	2019	2018
	£	£
Tangible and intangible fixed assets	1,163,638	276,545
Fixed asset investments	144	179
Net current assets	474,790	1,437,375
	<u>1,638,572</u>	<u>1,714,099</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

## 13 Restricted funds

	Pevsner Memorial Essay Fund £	Mary Heath Trust £	Grants £	Donations £	Total £
<b>Balance at 1 January 2018</b>	<b>11,625</b>	<b>162,962</b>	-	-	<b>174,587</b>
Receivable during the year					
-Grants	-	-	42,615	-	42,615
-Interest	-	1,213	-	-	1,213
-Educational events & publications	-	206	-	-	206
	<u>11,625</u>	<u>164,381</u>	<u>42,615</u>	<u>-</u>	<u>218,621</u>
Applied during the year	-	(27)	(42,615)	-	(42,642)
Transfer to unrestricted funds	-	(12,045)	-	-	(12,045)
<b>Balance at 1 January 2019</b>	<b>11,625</b>	<b>152,309</b>	-	-	<b>163,934</b>
Receivable during the year					
-Donations	-	-	-	30,933	30,933
-Grants	-	-	42,615	-	42,615
-Interest	-	1,263	-	-	1,263
-Educational events & publications	-	343	-	-	343
	<u>11,625</u>	<u>153,915</u>	<u>42,615</u>	<u>30,933</u>	<u>239,088</u>
Applied during the year	-	(15)	(42,615)	-	(42,630)
Transfer to unrestricted funds	-	(12,110)	-	(30,933)	(43,043)
<b>Balance at 31 December 2019</b>	<b>11,625</b>	<b>141,790</b>	-	-	<b>153,415</b>
comprising:					
<b>2018</b>					
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>-</u>	<u>163,934</u>
<b>2019</b>					
Fixed asset investments	-	-	-	-	-
Current asset investments	11,625	140,284	-	-	151,909
Cash at bank	-	1,506	-	-	1,506
	<u>11,625</u>	<u>141,790</u>	<u>-</u>	<u>-</u>	<u>153,415</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**

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019****13 Restricted funds (continued)**

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.

Restricted **donations** were received during the year to enable the Society to complete the refurbishment of Priory Gardens with high-class finishings appropriate to a building of its period. Since the refurbishment is now complete, the amounts received have been released to general 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 £98,977 (2018: £83,761) and movements on the fund are set out in the Statement of Financial Activities. Interest income of £729 (2018: £2,913) 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. As a result of the major refurbishment of the Society's headquarters, there has been a significant movement this year from current to fixed 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. 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), plus an allowance for ongoing property refurbishment. At 31 December 2019, the Society's free unrestricted reserves amounted to £445,877 (2018: £514,008) and were in excess of this level. The excess fluctuates from time to time and, due to the funds utilised for the refurbishment of the Society's headquarters and the deficits incurred in 2018 and 2019, 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 2019****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:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Total income	371,134	388,297
Total expenditure	<u>(457,146)</u>	<u>(437,587)</u>
Net deficit for the year before gains/losses on investment assets	(86,012)	(49,290)
Unrealised gains/(losses) on investment assets, excluding endowment funds	<u>(34)</u>	<u>(26)</u>
Net deficit for the year, excluding endowment funds	<u><u>(86,046)</u></u>	<u><u>(49,316)</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 2019 and 2018 other than as stated in the financial statements.

The Society had capital commitments at 31 December 2019 in respect of the refurbishment of Priory Gardens of £29,057 (2018: none).

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF THE VICTORIAN SOCIETY FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **Opinion**

We have audited the financial statements of The Victorian Society (the "Charitable Company") for the year ended 31 December 2019 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 2019 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 2019 (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 16, 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 2019 (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](http://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: 05/05/2020