

**THE SOCIETY OF ANTIQUARIES OF LONDON**

**Registered Charity No. 207237**

**REPORT OF THE COUNCIL AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 SEPTEMBER 2006**

**Burlington House**

**Picadilly**

**London W1J 0BE**

**The Society of Antiquaries of London  
Report and Financial Statements  
For the year ended 30 September 2006**

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# The Society of Antiquaries of London

## Reference and Administrative Details

### Trustees

#### *President*

Eric Campbell Fernie, CBE, BA, AcDip, FBA, FRSE

#### *Vice-Presidents*

John Penrose Barron, MA, DPhil

Martin Biddle, OBE, MA, FBA

Clive Stephen Gamble, MA, PhD, FBA, MIFA

Ann Payne, OBE, BA, FRHistS

#### *Treasurer*

Geoffrey John Wainwright, MBE, BA, PhD, Hon MIFA

#### *Director*

Martin John Millett, BA, DPhil, FBA

#### *Secretary*

Alison Fay Taylor BA, MIFA

#### *Members of Council from 27 April 2006*

John Cherry, MA

Thomas Hugh Cocke, MA, PhD

Timothy Charles Darvill, BA, PhD, DSc, FSA Scot, MIFA, RPA

Frances Marian Griffith BA, MIFA

Maurice Howard BA, MA, DPhil

David Jennings BA, MIFA

Philip John Lankester BSc, MA

Diana Mary Murray, MA, FSA Scot, MIFA

Adrian Charles Harris Olivier, BA, PhD, MIFA

Elizabeth Shee Twohig, MA, PhD

Anthony Raymond Wilmott, MA, MIFA

Jean Lesley Wilson MA, PhD

#### *Members of Council retiring on 27 April 2006*

Martin Oswald Hugh Carver, BSc

Amanda Dorothy Barras Chadburn, BA

Andrew Peter Fitzpatrick, BA, PhD, MIFA

Julian Daryl Richards, MA, PhD, MIFA

Frank Edwin Salmon, MA, PhD

# The Society of Antiquaries of London

## Reference and Administrative Details (continued)

### Senior Staff

*General Secretary (Chief Executive)*

David Richard Michael Gaimster, BA, PhD, FSA, AMA, MIFA

*Librarian*

Edmund Bernard Nurse, MA, FSA, MCLIP

*Publications Manager*

Kate Owen, MA, FSA

*Salon Editor and Website Manager*

Christopher Catling, MA, FSA, MIFA

*Finance Manager*

Lesley Favager, BSc, FCCA

*Head of Administration and Communications*

Jayne Phenton, MA

*Property Managers, Kelmscott Manor*

Jane Milne, BA, and Tristan Molloy, BA

### Principal Advisers

*Bankers*

Coutts & Co  
St Martin's Office  
440 Strand  
London WC2R 0RS

*Solicitors*

Hammonds  
2 Park Lane  
Leeds LS3 1ES

*Auditors*

Kingston Smith LLP  
Chartered Accountants  
Devonshire House  
60 Goswell Road  
London EC1M 7AD

*Investment Managers*

Sarasin Chiswell  
Juxon House  
100 St Paul's Churchyard  
London EC4M 8BU

# **The Society of Antiquaries of London**

## **Report of the Council**

### **For the year ended 30 September 2006**

#### **Legal structure, governance and management**

##### **Organisation**

The Society of Antiquaries, after meeting intermittently in the seventeenth century, was re-founded in 1707 and granted a Royal Charter in 1751. It was given accommodation by royal command in Somerset House in 1780 and moved to Burlington House in 1875. A lease was served from the then Office of the Deputy Prime Minister (ODPM) in 2005.

The Society's premises at Burlington House contain a specialist library, meeting rooms, a small but important collection of antiquities, manuscripts and paintings and the administrative offices of the Society. The Society has registered museum status for its collections at Burlington House and also for the buildings and historic collections at Kelmscott Manor in Oxfordshire, the former country home of William Morris, Fellow, and leader of the English Arts and Crafts movement.

The Society is composed of an elected college of over 2,400 Fellows, drawn from scholars and practitioners working in the fields of archaeology, architectural and art history, museology, conservation and cultural resource management together with ecclesiastical, documentary, heraldic, musical and linguistic study – the common theme being the study of the material past. The Society plays a significant role in encouraging scholarship nationally and internationally and performs a public advocacy role in matters involving the historic environment and the wider cultural heritage. As an independent charity and leading non-Government organisation in its sector, the Society is uniquely placed to encourage and facilitate public debate on the management, conservation, presentation and the wider understanding of the cultural heritage. It also nominates representatives to the Council of the National Trust, the Culture Committee of the UK Commission for UNESCO, and trustees to the British Museum and to the Sir John Soane's Museum. It advises all the All-Party Parliamentary Groups concerned with culture and heritage.

##### **Council (Trustees)**

The Society of Antiquaries of London is a Learned Society incorporated by Royal Charter in 1751. It is governed by its Royal Charter and Statutes (revised 2004). The main governing body is the Council which consists of twenty members (trustees) elected by Fellows, including the President, Treasurer, Director and Secretary, who act as Honorary Officers. It meets five times a year to set the broad strategy and business planning of the Society, to approve grant making, investment of reserves and risk management policies and also to monitor performance in all areas of activity. Council is advised by eight Standing Committees, which oversee the delivery of the Society's strategic objectives: Executive, Finance, Publications, Library and Collections, Research, Kelmscott, Croft Lyons and the Morris Fund; and by two special Committees: the Wheeler Memorial and the Frennd Medal and Prize. Membership of the various Standing Committees is listed in the Annual Report to Fellows. To facilitate effective operations, the General Secretary (Chief Executive) has delegated authority, within terms of delegation approved by Council, for implementing the strategic and business plan and for all day-to-day operational matters.

##### **Appointment of Council members (Trustees)**

Every year the Society elects five new members of Council from its Fellowship. Council keeps the expertise and skill requirements for its membership under review and aims to ensure that it is both reflective of the interests of the Fellowship of the Society and has the business competence to administer the charity effectively. Shortly after their election, new members of Council undergo an induction day to brief them on their legal obligations under charity law, the

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governance of the Society, the committee and decision making process, the strategic and business plan, accounting and risk management cycles and on the recent financial performance of the charity. During the induction day, new trustees meet senior staff and other trustees.

**Subsidiary relationships**

The Society is the sole registered member of Lucerna Limited, a company Limited by guarantee, which operates the shop, collects admissions fees and provides refreshment facilities to the public at Kelmscott Manor, the Society's historic house in Oxfordshire.

**Risk Management**

Council of the Society has a well-established annual timetable for reviewing the major risks to which the Society is exposed. It has established systems and procedures to identify, prioritize and manage those risks. Particular attention has focused on the business risks arising from failure of IT, physical catastrophe, threats to the security of library resources and historic collections and issues arising from new lease arrangements for the Society's accommodation. A key element in the management of financial risk is the setting of a total returns policy for investments and its regular review by Council (see Financial Review below).

**Objectives and activities**

The Society of Antiquaries of London is charged by its Royal Charter of 1751 with 'the encouragement, advancement and furtherance of the study and knowledge of the antiquities and history of this and other countries'.

The range of the Society's interests thus covers a wide field, from archaeology of all periods and all countries to heraldry, art history, architectural history and other subjects based on the study of the material remains of the past.

The Society reviewed its objectives during the course of 2006 and Council agreed the following set of key strategic objectives and business plan actions for the year at its July meeting.

**Key strategic objectives of the Society**

1. Fostering public understanding
2. Engaging in public policy
3. Supporting research and communicating its results
4. Developing the Fellowship

**Business plan objectives 2006-09**

***1. Fostering Public Understanding***

- 1.1 Promote the Society's assets, resources and collections to new audiences
- 1.2 Develop Burlington House (BH) as a prime venue for the cultural heritage community
- 1.3 Maintain and develop Kelmscott Manor as an exemplar of best practice in cultural resource management
- 1.4 Recognize excellence through public awards
- 1.5 Enhance conservation grants programme

***2. Engaging in public policy***

- 2.1 Provide an independent forum for policy making at Burlington House
- 2.2 Develop the Society's advocacy role
- 2.3 Enlarge the Society's influence with sector organizations and umbrella bodies
- 2.4 Communicate and disseminate news and opinion

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***3. Supporting research and communicating its results***

- 3.1 Encourage, support and evaluate new research
- 3.2 Maintain the library as a leading specialist library on British and overseas archaeology, antiquities and historical monuments
- 3.3 Publish the Society's collections
- 3.4 Enhance and deliver the Society's research publications
- 3.5 Develop the Society's lecture and research seminar programme at Burlington House
- 3.6 Develop a collections strategy for the Society's Registered museums (Burlington House and Kelmscott Manor)

***4. Developing the Fellowship***

- 4.1 Recognize excellence amongst the Fellowship and involve Fellows in the activities of the Society
- 4.2 Encourage regional and international activity
- 4.3 Improve communication with the Fellowship
- 4.4 Expand the Fellowship while maintaining and promoting standards of entry
- 4.5 Review subscription rates and membership structure
- 4.6 Launch Tercentenary fundraising campaign and legacy programme
- 4.7 Maximize most effective use of the assets of the Society in support of its strategic objectives

The Society looks to achieve its strategic aims and deliver its operational objectives for the year through effective management, the expert advice of its Committees and Fellowship and through developing existing partnerships and creating new ones with other charities and public bodies in its sector, both in the UK and overseas.

**Grant making policy**

A primary objective of the Society, one that reflects its Royal Charter of 1751, is its support for research into the UK and overseas cultural heritage and communicating its results. This year the committee responsible for overseeing the allocation of research grants has reviewed the Society's grants strategies to ensure that its services respond to demand in what is a rapidly changing environment for research in the humanities. Against a background of changing policy amongst the main funding bodies, it is vital that the Society's research and publication programme meets the needs of both its Fellowship and the wider research community, particularly the individual researcher. The Society currently devotes £35,000, or around three percent of its available resources, to funding research projects annually and is aiming to increase this contribution significantly, both from fundraising and through working in partnership with other charities, so that it can make a more strategic contribution to the support of UK and international research relating to the cultural heritage.

The Society also invites applications for support of conservation to historic buildings, mainly churches, to its Morris Fund, which was formed in 1939 following the death of May Morris, the younger daughter of William Morris FSA. By the terms of her will the Society received her residuary estate 'for the purpose of providing a fund for the protection of ancient buildings', so perpetuating one of her father's chief interests. May Morris required that grants should be made only to works that are carried out accordance with the principles of the Society for the Protection of Ancient Buildings (SPAB). The income of the Fund is not large (approximately £14,000 a year).

Details of how to apply for research and conservation grants, together with relevant forms, are available on the Society's website.

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**Contribution of volunteers**

The Society is dependent on voluntary help to assist with the documentation and conservation of its historic resources (library, archives and museum collections) and with the maintenance of Kelmscott Manor for public enjoyment. Over seventy volunteers undertake stewarding and guiding duties at the Manor during its open season (see Kelmscott Manor below). It is estimated that without this volunteer help an addition of two part-time staff members would be required to undertake 'front of house' duties, including the manning of the ticket hut, at an annual cost of about £35,000.

**Key achievements and performance**

**Key business objectives for 2006-07**

***1. Fostering Public Understanding***

**Promoting the Society's assets, resources and collections to new audiences**

A priority for the year has been the planning and preparation of a major programme of events to celebrate the Society's Tercentenary anniversary in 2007-08, which will introduce and provide greater public access both to the Society's historic assets and learning resources and also to the knowledge and expertise of its Fellowship. The Society will launch its tercentenary in 2007 with a special exhibition at the Royal Academy of Arts between 15 September and 2 December. This first collaboration between the Society of Antiquaries and the Academy, to be guest-curated by David Starkey FSA, will explore through the Society's collections of works of art and antiquities milestones in the discovery, recording, interpretation, preservation and communication of Britain's past over three centuries. This exhibition will be previewed by a special display at the British Antique Dealers' Association Fair in March 2007. The Society is also raising its profile through a Festival Programme of keynote public lectures to be held in major cities throughout the United Kingdom, Ireland, North America and Australia. Each lecture will be given by Fellows prominent in their fields. Full details of the Society's special exhibition and the full Tercentenary Festival Programme will be published on its website [www.sal.org.uk](http://www.sal.org.uk).

**Developing Burlington House (BH) as a prime venue for the cultural heritage community**

The Society, working closely together with the Royal Academy and its partner learned and scientific societies around the courtyard of Burlington House, has been developing plans to create a new Cultural Campus in the heart of London. This new collaboration is intended to convert the scientific and artistic output of the Societies into a series of events and activities for improved public understanding of the cultural, historic, natural and scientific environments. By unlocking the archives and learning resources of the Courtyard Societies through a managed programme of public events and activities, the Cultural Campus will break down barriers and exploits synergies between the arts and sciences. The Campus was launched on 18 September 2006 by the then Parliamentary Under-Secretary of State for Science and Innovation, Lord Sainsbury of Turville, and Sir David Attenborough, OM.

The settlement of a new lease from the Government, together with the tercentenary of the Society in 2007-08, provides an incentive and an opportunity to undertake vital capital improvements to its Burlington House interiors. In planning to develop its facilities as a forum for the communication of research and the debate of public policy in the heritage and as a showcase for one of London's pre-eminent collections of British art and antiquities, the Society

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hopes to transform access to its resources and significantly enhance its public benefit. Modern lecture and meeting facilities will be essential for contributing effectively to the planned Cultural Campus public education programme. In addition, the success of the Tercentenary exhibition to be held at the Royal Academy from September 2007 will also depend on the Society being able to support its exhibition with a public education programme of lectures and workshops in its rooms. In essence, the proposed renewal scheme is designed to assist the Society to better deliver its core strategic objectives relating to fostering public understanding, engaging in public policy, supporting and communicating research and maximising the effective use of its assets. The Societies have been working together with the Academy over the course of the year to develop a pilot programme of events for launching in 2007 and to create new signage and public information for visitors to the courtyard.

During 2005-06, under the guidance of a Steering Group of Fellows chaired by Ian Bristow FSA, the firm of Julian Harrap Architects was commissioned to prepare proposals for renewing services, facilities and the decoration of the Society's main public spaces, including the Meeting Room, Entrance Hall and Principal Staircase. The works are planned to start in early 2007. Key elements of the scheme are :

- to install modern audio-visual facilities for the effective communication of research and debate, including remote live access
- to celebrate the architectural glory of the Grade II\* listed Banks and Barry early 1870s interior through sensitive redecoration
- to improve the visibility, environmental conditions, information and access to the Society's pre-eminent collections of pictures and antiquities on display in its public rooms
- to create high quality conference, reception and networking space for the UK heritage community in the centre of London.

**Maintaining and developing Kelmscott Manor**

Communication to prospective visitors of opening times and limitations on access were reviewed, with clearer information being provided on the website, in the brochure, on our recorded enquiry line and on posters distributed locally. Seasonal RAC signage was hired at junctions on approaches to Kelmscott. A review of admission terms by the Kelmscott Committee resulted in the implementation of a "one carer accompanying a disabled person admitted free" policy from the start of the season.

Following the Honorary Curator's review of labelling of the collection, a new, standardized system of labels and notices was in place for the start of the new season. The experience of visitors within the house was further enhanced by a review and updating of the room stewards' inventory and a meeting of guides, to consider improvements to introductory talks and tours.

Garden-only visiting was extended and promoted more widely, with the focus on an extra afternoon's opening for much of the season, resulting in an increase of 239% in visitors enjoying the garden alone, this year. A desire to bring some more of the collection out of storage, for temporary exhibition, resulted in Kelmscott Press Day in September, which was attended by over 100 visitors.

More restaurant visitors were accommodated under cover, with the erection of a small marquee adjacent to the restaurant barn. Doubling the seating capacity of the stable barn, this addition proved a valuable asset. The restaurant team continued to extend and vary the catering on offer

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to the general public and visiting groups, within kitchen facilities which continue to be restrictive. The shop, also, researched and introduced new lines, to keep the shopping experience fresh for return visitors. The Kelmscott Committee established a Strategic Planning Group to take a wide-ranging review of operations on the site. The group's work, including consideration of catering facilities and other visitor services, continues.

The Committee undertook a full review of the safety of visitors, staff and volunteers during the year, including adoption of a new Fire Policy and a new Health and Safety Policy. Both of these have been accompanied by risk assessments across the site. There has been a review of the evacuation procedure for all areas of the site and training has been undertaken by staff and volunteers. The Manor now has thirteen trained First Aiders (volunteers and staff) as a result of training undertaken during the year. The Committee adopted a Disaster Recovery Plan during the year, linked to which has been an enhancing of equipment held in the disaster store and the appointment of a disaster recovery team (comprising staff, volunteer stewards and local residents).

Essential maintenance of the Manor, barns, grounds and estate cottages has continued throughout the year, overseen by our consultant architects, Alan and Janet Frost and garden consultant Stephanie Carter. Committee Members undertook a review of the estate and, in consideration of coherence and sustainability, agreed to sell two of the residential properties, which do not have significant historic associations with either the Manor or the Morris family. The resulting capital will contribute to an endowment fund, for re-investment in the estate.

Kelmscott Manor hosted study days for three primary schools, one secondary school and students from William Morris House (Camphill Community) during the year, together with a special visit by students from Oxford Brookes University, studying Historic Conservation. These study visits happen outside the normal general public and group booking days, to allow a more flexible response to the education groups' needs. At the beginning of 2006 the Manor engaged some freelance research (aided by a Berkshire- Oxfordshire-Buckinghamshire Museums Development grant) to explore the potential and practical considerations for a programme of schools arts days. This research has informed planning for the 2007 season.

**The conservation grants programme**

The Morris Committee met twice during the Report period to consider applications to the Morris Fund. Council's current policy is that places of worship built before 1896 (the year of William Morris's death) in the United Kingdom are eligible for grants, which will not normally exceed £1,000. Preference will be given to limited programmes of work concerned with the conservation of the fabric of the building, stained-glass windows, sculpture, wall paintings and monuments.

The Morris Fund is bound to observe the principles of the Society for the Protection of Ancient Buildings in recommending grants. A number of grants were also offered conditionally upon ensuring that the correct advice and standards of workmanship were being obtained. In a number of cases the Society suggested sources of advice, but the Fund is not in a position to carry out a significant administrative role.

Twenty seven applications were considered and the Committee agreed to award grants to sixteen churches. The total disbursement from the Morris Fund in the Report period was £12,625.

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***2. Engaging in public policy***

The Society is uniquely placed as an independent non-government organization to encourage and facilitate public debate on the management, conservation, presentation and public understanding of the cultural heritage. The depth and breadth of knowledge and expertise among the Society's 2,400-strong Fellowship gives it the authority to speak on key issues of policy and delivery.

Activities connected to developing the Society as a forum for public policy in the cultural heritage and as an advocate for voluntary organizations engaged in the historic environment and wider cultural heritage reflects the Society's growing emphasis on public engagement on both national and international issues.

The Society continued to facilitate the meetings and activities of a wide range of cultural heritage organizations and allied learned societies in its Apartments. Indeed, more than 140 charitable organizations and public bodies used Burlington House for their activities during the reporting year.

The Society has continued its administrative support of voluntary organizations engaged in public debate on the historic environment. The Society has maintained its support for the All-Party Parliamentary Archaeology Group (APPAG) and has established a regular cycle of networking events and joint lectures. In February the Society welcomed Colonel Matthew Bogdanos of the US Marine Corps to speak about the fate of antiquities in present-day Iraq. It also facilitates the meetings of the Standing Conference on London Archaeology (SCOLA), which campaigns on heritage policy and management issues in the metropolis. The Society also participates as a key partner in two influential umbrella groups for the historic environment: Heritage Link and The Archaeology Forum (TAF). In September 2006 the Society once again hosted the Annual General Meeting of the Institute of Field Archaeologists, which included a progress report by English Heritage on the Heritage Protection Review.

The General Secretary continues to act the Society's representative on the following archaeological bodies and grant-giving trusts: The Archaeology Forum, the Standing Conference on Portable Antiquities, the Portable Antiquities Working Group, the management committee of the British Archaeological Awards, the Archaeological Archives Forum, the Colchester Archaeological Trust and the City of London Archaeological Trust. He has also represented the Society on the Culture Committee of the UK National Commission for UNESCO and has chaired its Conventions Working Group.

Over the course of the year the Society has responded to a number of national policy consultations, including most notably to the Highways Agency review of the A303 Stonehenge Improvement Scheme. For the purposes of its statement the Society consulted widely both among its Fellowship and among the wider historic environment community. It hosted the only major sectoral seminar on the options review, at its premises at Burlington House on 31 March 2006, when those organisations with an interest in Stonehenge were invited to express their views. Over ninety individuals attended the meeting. The Society's response to the consultation was informed by the opinions voiced at that meeting and by subsequent consultations, especially as far as possible with Fellows.

In addition, on 28 October 2005 the Society welcomed over one hundred delegates from UK Government departments, national heritage agencies and key voluntary bodies who met to

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discuss ways of raising awareness of the 2001 UNESCO Underwater Cultural Heritage Convention, which sets rigorous standards for the protection and management of underwater cultural heritage in the vast expanses of the sea that lie beyond territorial limits. Expert speakers from around the world gave an international perspective to the seminar; and the resulting papers were published on the Society's website. Mention has already been made of the Stonehenge seminar held at Burlington House on 31 March 2006 (see above).

During the course of the year the Society also contributed its own and joint written responses to the following national reviews and inquiries. Copies of the responses can be found on the Society's website.

- Parliamentary Culture, Media and Sport Select Committee inquiry on 'Protecting, Preserving, and Making Accessible our Nation's Heritage'
- English Heritage Research Strategy 2005-2010 and proposal to create a UK-wide strategy for research on the historic environment (jointly with the Society of Antiquaries of Scotland)
- Accounting Standards Board inquiry 'Heritage Assets: can Accounting do Better'
- Parliamentary Culture, Media and Sport Select Committee inquiry on 'Caring for Our Collections' (contribution to TAF response)

The Society continues to take an active management role in leading cultural institutions in the capital. It has a statutory role to appoint Trustees from among its Fellowship to the governing bodies of the British Museum (Professor Sir Barry Cunliffe, CBE), the Sir John Soane's Museum (Dr Ian Jenkins) and the National Trust (Ms Marian Campbell).

Continuing investment in the Society's website reflects its commitment to serving and informing both its Fellowship and its sector. The Society has invested considerably over the course of the year to develop a new content management system for the website with a view to relaunching the site in time to support its Tercentenary Festival Programme from Spring 2007.

Twenty-eight issues of the Society's electronic newsletter, *Salon*, were published this year and the number of registered recipients is now 1,915, made up of 968 Fellows and 947 other subscribers, including MPs, peers and senior civil servants, senior figures in the museums libraries and archives world, academics all round the world, journalists specialising in heritage and members of the Institutes of Conservation, Field Archaeology and Historic Buildings Conservation. In addition, *Salon* is posted on an academic and organisational bulletin boards and intranets and is forwarded informally by subscribers to a large but unknown number of readers. Positive feedback indicates that *Salon* is greatly valued by recipients as a source of news and information and as a medium for promoting the Society's position on key public policy issues, such as the future of Stonehenge.

### ***3. Supporting research and communicating its results***

#### **Encouraging, supporting and evaluating new research**

The Research Committee conducted a review of the grants programme to ensure it remained fit for purpose for servicing the needs of researchers in the historic environment and wider cultural heritage. It considered a number of proposals including the drafting of further clarifications on the eligibility of research proposals, improved monitoring arrangements, the introduction of a new scheme for flagship projects and an increase in the maximum level of awards available through the Minor Grants scheme suited to the needs of individual researchers.

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In 2006 Council decided that a maximum of £36,000 was available for Research Grants: £28,000 for Minor Grants, £2,000 for the Lambarde Fund, £2,000 for the Wheeler Fund, and £4,000 the Janet Arnold Award.

*Minor Grants*

Thirty-three applications for Minor Grants were considered, with a total request for funds of around £71,021.49. This compares with thirty-two applications for Minor Grants in 2005, with a total request for funds of around £60,741, and forty-one applications for a total of around £67,650 in 2004. (Total grants awarded £31,716.49)

*William Lambarde Memorial Fund*

The income from this Fund provides for travelling scholarships in archaeology or otherwise for the promotion of antiquarian studies. Seven applications were considered by the Research Committee and four awards were made. (Total grants awarded £1,985)

*Janet Arnold Award*

Only one application was received, and was not supported by judging panel because of eligibility issues. However, the Committee agreed to an award of £500 from the Lambarde Fund to Ellen Swift to cover travel costs connected with her contextual analysis of late Roman dress from cemetery evidence in the Western Provinces.

*Tessa and Mortimer Wheeler Fund*

The Tessa and Mortimer Wheeler Fund was reconstituted in 1976 and provides travel grants for students of archaeology. The Society, the British Academy and the Institute of Archaeology, University College London, provide representatives on the panel. Six applications (compared to nine in 2005) were received for grants from an annual fund of £2,000 with three grants being awarded. (Total grants awarded £1,200)

**Maintain the library as the leading specialist library on British and related European archaeology, antiquities and historical monuments**

The library continues to be strongly supported by Fellows. The generous bequest received in 2001 from Kenneth Gravett for the use of the library has increased in value from £475,000 to £513,000; income is applied to library activities. A bequest was also received from the estate of John Charlton. The Royal Archaeological Institute and the John Fenwick Trust gave donations. A bequest from Lady Aileen Fox and gifts in memory of the late Dr John Samuels for the purchase of books enabled older works wanted to be acquired, including a manuscript account with photographs of a visit to Stonehenge in 1894 by a group of Freemasons. In addition about £4000 was raised by the sale of duplicate items and books donated by Fellows for sale. 219 books were presented by 103 donors. Among the more notable gifts were over fifty volumes on art history from the bequest of C S (Paddie) Drake, a watercolour, *A Fellow of the Society of Antiquaries* by H G Hine c 1851 from Peter Rose, and *A Puzzle*, a print satirizing antiquaries published in 1756, from Robert Hutchinson. Four sketchbooks containing drawings of cross slabs by the Reverend W D Sweeting c 1860-87 were donated by Claude and John Blair in memory of John Goodall. Pamela Smith gave her tape recordings of interviews with archaeologists and her Ph.D thesis on prehistory in Cambridge; it is hoped to develop this collection with further interviews.

Over 600 books and about the same number of current periodicals were received during the year; access to the increasing quantity of online versions of journals and back numbers continues to be made available. About 260 journals are received on exchange each year. The titles were assessed by a small committee and it was agreed that the range and quality of the publications received

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was impressive and they represented good value. An additional part-time member of staff from March 2006 has greatly assisted the work of ordering new books, chasing up missing issues of periodicals and searching for out-of-print titles.

Considerable changes are taking place in the pattern of use of libraries generally. In the Society's case, the growth of email and the internet has resulted in an increasing number of external users, with over 2000 email enquiries probably exceeding the number of telephone enquiries (which are not counted). Information about the library and its holdings is now generally taken from the Society's website and online catalogue; images of paintings can be seen on the website and images of drawings and museum objects with extensive catalogue entries can be seen on the online catalogue. A small decline in the number of personal visitors to the library has been recorded - to 2653 of which 1725 were Fellows.

In May 2006 the catalogue database was moved to a new Unix server. The old server had been in operation since April 2001 and required upgrading so as to be suitable for the computing requirements of the software upgrade to Voyager Version 5. Because of the strength of its holdings the Society's library was selected to contribute records for current and ceased periodicals to the SUNCAT catalogue (Serials Union Catalogue for the UK). 2,345 records have been submitted to this national database. Cataloguing of current monograph accessions came to 893 items during this period; 662 of these are British publications. The programme of adding entries to the online catalogue for library collections on deposit with the Society has continued with those for the library of the British Society of Master Glass Painters added this year (225 titles). A grant was received to cover the cost of converting the existing records.

Work on the drawings catalogue has continued and the albums containing drawings of portable antiquities from Roman Britain completed. Albums of drawings by Thomas Fisher FSA, mostly of churches and brasses in Cambridgeshire and Shropshire and a large collection of loose drawings by Thomas Fisher, mainly of churches and brasses from various locations, were also catalogued. Along with Fisher's Kent drawings catalogued last year, this means that all of the Society's material by Fisher (a total of 490 items) has now been catalogued. These drawings have been digitized at Lambeth Palace with the assistance of a grant from the Gladys Krieble Foundation. The resulting images have been added to the catalogue records in the database, and will be made available online by the Archaeology Data Service in the near future, along with the 4148 records already available there. There will then be a total of nearly 5000 records and about 2900 images accessible direct or via the Society's website.

**Publishing the Society's collections**

The support of the Paul Mellon Centre for a second year enabled work on the catalogue of the Society's pictures to continue until April 2006. The Marc Fitch Fund has generously agreed to fund further work on the fifteenth and sixteenth century panel paintings and also paid for detailed infra-red photography on paintings identified last year. The photography carried out in the summer recorded extensive underdrawing especially on the portrait of *Mary I* and the paintings of *The Martyrdom of St. Erasmus* and *The Legend of St. Etheldreda*. This new information, that from recent tree ring dating and expert advice from Fellows is being incorporated into revised catalogue entries, which by the end of September comprised about 80,000 words of text on the Kerrich bequest. The research has proved of considerable value in preparing for the Tercentenary exhibition when some of the paintings will be displayed at the Royal Academy. Publication of the full catalogue is envisaged for 2009/10.

**The Society of Antiquaries of London**  
**Report of the Council**  
**For the year ended 30 September 2006 (continued)**

**Develop collection strategy for the Society's Registered collections**

The fourteenth century painting by Simone di Crocefissi of *The Dream of the Virgin* has been loaned to the National Gallery for three years and a new frame made for its display there. Conservation at the Courtauld Institute revealed its quality and the original Tree of Life iconography; the National Gallery does not possess any paintings by this Bolognese artist.

A new full-time post has been created at the Society to manage its artefact and painting collections at both Burlington House and Kelmscott Manor. The Collections Officer is a much needed position whose main responsibilities include curation, loan management, policy documentation and strategic planning for the future of the collections. Julia Steele, who comes with a background in collections management, has been appointed to the post and started work in August. Initially her work has focused on preparing for the Tercentenary exhibition, related loans and photography

**The Society's research publications**

A key objective for the publishing activity during the reporting period was to review the Society's publications programme; this resulted in the agreement of a new publications strategy by Council in February 2006. Council agreed that the Society should continue be concerned principally with works of long-term academic value and that priority should be given to the publication of works that relate to the collections of the Society and research it has sponsored. While publication proposals are considered on their academic merits, they must also be accompanied by a plan for covering their production and management costs through grants.

Volume 85 of the *Antiquaries Journal* appeared in December 2005 and volume 86 was in preparation during the year for publication in December 2006. A review of the content, management and dissemination of the *Antiquaries Journal* was undertaken during the year, a key part of which involved analyzing the results of a questionnaire, asking Fellows for their views on the *Journal* and about their use of the internet and its potential as a means of disseminating journal papers. Some 23.6 per cent of Fellows responded to the questionnaire, and the results will be used to inform the final report, due in the next financial year.

Two books were published during the course of the year. *The Cistercians in Wales: architecture and archaeology 1130–1540*, by David M Robinson, Fellow (Research Report No. 73), appeared in March 2006 and volume II of the four-volume corpus of *Roman mosaics in Britain* currently being compiled by David S Neal and Stephen R Cosh, Fellows, followed in April. Despite the best efforts of the author, Officers and staff, there have been further delays to the publication of *Heraldic Badges in England and Wales*, by Michael Siddons, Fellow, by Illuminata Publishers.

Editing work continued on *Visions of Antiquity*, a collection of essays on the history of the Society edited by Susan Pearce, Fellow, and intended to commemorate the Tercentenary, and on *William Morris's Kelmscott: Landscape and History*, which will be jointly published by Windgather Press and the Society in May 2007, to coincide with the opening of the visitor season at Kelmscott Manor.

A draft agreement covering future distribution arrangements was drawn up with Oxbow Books, the Society's main distributor, and discussions were held over ways to improve the marketing of our books and to increase sales.

**The Society of Antiquaries of London**  
**Report of the Council**  
**For the year ended 30 September 2006 (continued)**

Discussions took place during the year with the Council for British Archaeology over the establishment of a digital publishing platform for archaeological journals and monographs. Progress with this initiative is dependent on the successful outcome of the pilot site (scheduled to go online in late 2006).

**The Society's lecture and seminar programme**

In addition to its weekly Ordinary Meeting programme at Burlington House, the Society has now developed a regular programme of out-of-London lectures, often in partnership with national or regional bodies. It is intended to maintain this programme away from Burlington House at the rate of at least one meeting per session. The meetings enable many of the Fellows who are unable to come to London regularly to participate in the Society's programme. They also enable the Society to raise its profile nationally and to forge closer relations with regional bodies. In November 2005 the Society joined with Leicestershire Historical and Archaeological Society on the occasion of the county society's 150<sup>th</sup> anniversary. JD Hill FSA and Vicki Priest spoke on 'Rituals, hoards and helmets: the East Leicestershire shrine and the Corieltavi?'. In March 2006 the Society visited Belfast for a meeting hosted by Queens University. Brian Williams FSA spoke on 'Archaeology in Northern Ireland: its structures and some recent research'.

In addition, a well-attended memorial symposium was arranged for John A. Goodall, Fellow, who died in November 2005, with papers on the many research subjects to which he had contributed over the past twenty years as one of the Society's most active Fellows.

***4. Developing the Fellowship***

Members of the Society are known as Fellows of the Society of Antiquaries of London (FSA). To be elected persons shall be 'excelling in the knowledge of the antiquities and history of this and other nations' and be 'desirous to promote the honour, business and emoluments of the Society'. In recognition that the Society needs to maintain and enhance its representation across the broad historic environment and cultural heritage, both in the UK and overseas, it is set on a programme of recruitment to expand the Fellowship to 3,000 individuals by 2009 (see the Annual Report for 2004-05). The electronic nomination and balloting systems introduced in 2004-05 have made a very significant impact on progress towards that target, with many more Fellows now participating in the nominating and balloting process. In 2005-06 the Society elected 174 new Fellows at seven ballots, in contrast to the election of 115 new Fellows and one Hon Fellow at the five ballots taking place in 2004-05.

The Society's Council is committed to ensuring fairness and good value in respect of Fellows' subscriptions. A working Group of the Executive and Finance Committees was established to review of current subscription mechanisms to ensure equity across the board. Despite the fact that most options have problems with cost and fairness, it was felt that retaining the status quo was undesirable, and it was agreed to take a long-term strategic view of the issue rather than opt for the quick fix. This will involve further profiling of the Society's Fellowship and prediction of the Society's revenue, outgoings and Fellowship numbers over the next ten years. Fellows will be asked to feed further information into this process.

The Society's active regional Fellowships based in Wales, Oxford, Cambridge and now York have continued held to hold meetings and dinners. The Fellowship in North America and the Caribbean held its annual lecture meeting and dinner at Harvard University, Cambridge Mass., in November 2005.

**The Society of Antiquaries of London**  
**Report of the Council**  
**For the year ended 30 September 2006 (continued)**

In September 2005 the Society launched a hard-copy bi-monthly colour newsletter for its Fellowship (*Fellowship News*) in recognition that not all Fellows are able to receive SALON. The newsletter serves to communicate news and reports of all key Society events and campaigns to the entire Fellowship.

**Tercentenary fundraising campaign and legacy programme**

As an independent charity, the Society receives no core funding from central Government or any other agency. Investment of the Society's reserves allows a consistent and preserved capital base, which provides a continuity of income to support the Society's charitable purposes. In order to develop as an organisation and deliver those objectives more effectively to a wider constituency, the Society is looking to raise additional funds. Council, in a draft Case for Support document agreed in Spring 2006, identified the following key programmes as priorities for fundraising from external sources over the next five years. Success in this campaign will make the crucial difference in enabling the Society to take its place as a leading Learned Society for the 21<sup>st</sup> Century and expand its public benefit role.

- Renewal of the Society's premises at Burlington House
- Tercentenary special exhibition and education programme
- Development of Library and Collections
- Building the level of support for research and publications
- Development of Kelmscott Manor facilities and services
- Developing the Society's public policy role

Council of the Society took steps this year to commission a fundraising review from professional fundraising consultants, Brakeley Ltd, and to act on the first recommendation of its report, that being to establish a Campaign Development Group (to be chaired by Dr David Starkey FSA, assisted by Elaine Paintin FSA as Vice-Chair). First meetings of the Group were scheduled for Autumn 2006. Meanwhile, the active North American and Caribbean Fellowship had been approached with a view to establishing a fundraising group across the Atlantic. In addition a strategic planning group was established from members of the Kelmscott Committee in May 2006 to review potential medium to long-term improvements to facilities and services at the Manor, the findings of which would feed into the broader development needs of the Society.

With regard to the shorter term funding required for the renewal of the Society's premises and the delivery of the 2007 Tercentenary Festival programme, approaches were in hand to trusts and foundations to support the costs of refurbishing Burlington House, and corporate partners were being sought to support the special exhibition at the Royal Academy in Autumn 2007.

**Financial Review**

The format of the Report of Council and the Financial Statements has been substantially revised this year in order to conform to the format of the new Statement of Recommended Practice on Accounting and Reporting by Charities (SORP) 2005. This includes the consolidation of the Society's activities with those of its wholly-owned trading subsidiary, Lucerna Limited.

In the new format, expenditure is allocated to each of our main objectives – Fostering Public Understanding, Engaging in Public Policy, Supporting Research & Communicating its results and Promoting the Interests of the Fellowship. Totals for each of these areas are shown in the Consolidated Statement of Financial Activities and a breakdown of these costs which is detailed in notes 5 to 8 on page 27 of the accounts. Comparative figures for 2005 have been re-worked in order to assist comparison of costs year on year.

**The Society of Antiquaries of London**  
**Report of the Council**  
**For the year ended 30 September 2006 (continued)**

For the fourth year in succession, income (including total returns) exceeds expenditure. Management accounts reported a surplus of £76,633; this largely being due to a successful season at Kelmscott Manor and timing differences on Restricted Funds. For Management Accounting purposes, the General Fund showed a small surplus of £10k.

**Reserves Policy**

The Society undertakes a wide range of activities in pursuance of its strategic objectives which are set out on page 4. Many of these activities are funded from restricted funds donated for specific purposes, but all need a continuity of income provided by a consistent and preserved capital base. A significant factor affecting the general policy towards reserves is that during its existence and in fulfilment of its objectives, the Society has built up significant holdings of manuscripts, books, pictures, artefacts and other objects of antiquarian importance. It also has the specialist staff to assist in the access to and use of these collections. The provision of enough capital to provide the income to allow for the necessary continued growth and maintenance of and access to these collections is therefore a prime objective. The policy is kept under review, but the trustees wish, as far as possible, to maintain and indeed increase the current levels of capital and income.

Currently, the Society has been using capital to fund its full range of activities and has adopted a policy of 'total returns', which has been developed in conjunction with our investment managers, who have advised Council that on the basis of the investment objectives set out below, up to 1.5% of the value of the portfolio can be withdrawn annually without eroding the capital base. This enables the Society to maintain and develop activities and to ensure a balance between the needs of current and future beneficiaries of the charity, as required by charity law. In accordance with the total returns policy, confirmed by Council in 2006, a general fund drawdown of up to 1.5% of the value of the portfolio was authorised in line with the amount recommended by the Society's investment advisor. The actual amount drawn down in 2006 of £110,592 represents 1.03% of the total year end value of the portfolio. Of this amount, £55k (2005: £75k) was used to fund the routine operation of the Society and the balance used to cover activities related to our Tercentenary which are detailed below. In addition, Council authorised a further draw down of £45k to help defray the costs of planning for the refurbishment of Burlington House. Our conservative approach to drawing down on our capital means that, since this policy came into force in 2003, we have not drawn down all the capital which was authorised. The cumulative amount authorised but not drawn down at 30 September 2006 was approximately £193,000 (2005: £164,000).

The Society's free reserves, as defined by the Charities Commission, are represented by those unrestricted funds that are not tied up in fixed assets or long term investments. These are shown in note 22 to the financial statements and indicate a deficit of £152,751 at 30<sup>th</sup> September 2006 (£14,448 surplus at 30<sup>th</sup> September 2005). However, when the amounts of undrawn total return referred to above are taken into account, a surplus of free reserves amounting to £40,000 would be available (2005: £178,000). The minimum of free reserves necessary in order to provide working capital for the Society is considered to be in the region of £150,000 to £200,000.

To enable the Society to maintain and increase its capital base, it is necessary to retain a substantial proportion of funds within investment assets. During 2006, significant one-off expenditure was required for preparatory work in connection with the refurbishment of the Society's rooms and for the Tercentenary exhibition. Application of the undrawn total return that is available to the Society and the additional funding derived from the credit line at Coutts, currently standing at £81k, would eliminate the deficit on the free reserves and provide sufficient working capital for the Society to continue to meet its objectives. The Society additionally

**The Society of Antiquaries of London**  
**Report of the Council**  
**For the year ended 30 September 2006 (continued)**

intends to ensure sufficient free reserves are maintained by the effective monitoring of cash flow and the repayment of an inter-fund loan during 2007.

**Investment Policy**

The Society's holdings are managed by Sarasin Chiswell. Their performance is reviewed by the Finance Committee, which reports to Council. The Objectives set by the Finance Committee are to achieve steady growth of income and capital appreciation to maintain and improve upon the value in real terms and provide long term protection from inflation. The performance benchmark for the fund is the Median Return of the Unconstrained Charity Universe, as measured by the WM Company, to be measured over a three year rolling basis.

At 30<sup>th</sup> September 2006, the Society's listed investments had a market value of £10.7 million, together with £66k held in cash awaiting investment. Following the very difficult market conditions of the past years, our investments continued to recover during 2006, leading to investment gains of just under 8% of the value at the start of the year. After Capital Draw Down, the capital value of investments has increased by 6.5% and the income by 21%.

**Heritage Assets**

The historic collections of the Society consist of objects, manuscripts, prints and drawings, pictures and books which date from between c. 300,000 BC to the twentieth century AD. These collections are held for the purposes of assisting the study of the past. No value is placed on these collections as the process and costs of obtaining valuations for the thousands of items involved would be disproportionate to any public benefit that might be derived. It is additionally considered impractical to apply conventional valuation techniques to the collections, due to the uniqueness of their nature. It is not proposed to publish a Heritage Asset Register on the grounds that the publication of such a register would constrain the working operations of the Society. For the purposes of research and conservation an inventory of the historic possessions has been created. This continues to be expanded and up-dated on a regular basis.

**Funding**

Year on year, the relative proportions of income remain fairly constant. In 2005, Council stated that it would be looking to the Fellowship for its practical support in maintaining and developing alternative sources of income. In this context, it should be noted that funding from subscription income remains at a constant 24% of total income. Note 2 of these accounts shows that tax refunds received via Gift Aid have increased by £14k. Fellows should note that, by electing to subscribe via Gift Aid, a retrospective tax claim of up to six years can be made by the Society dating back to the date of Election. We would therefore urge all Fellows to elect to pay their subscription as a Gift Aided donation.

The change in law concerning Gift Aid has affected admissions at Kelmscott as fewer donations have been received in lieu of admission. This has resulted in a reduction in Gift Aid claimed at Kelmscott. The effect of this can be seen in Appendix I where in 2006, income shows an increase in admission fees and a reduction in donations on 2005. As a result of this, the Gift Aid donation from Lucerna Ltd has increased from £30,921 to £66,788.

Lucerna Ltd continued to make a substantial contribution towards the financial performance of the Society. Operating income (before grants for acquisitions) increased by £20k, with improved sales in both shop and restaurant. Full details are given in Appendix I which combines all the activities at Kelmscott Manor.

**The Society of Antiquaries of London**  
**Report of the Council**  
**For the year ended 30 September 2006 (continued)**

**Exceptional Items**

Included within the objective 'Fostering Public Understanding' are two key items of exceptional expenditure, that of £104,535 on preparation for the Tercentenary exhibition and planning for Refurbishment of £47,443.

The autumn of 2007 will see the start of a year of celebration to mark the Tercentenary of the Society which falls in December 2007. The exceptional items reflect the costs to date in the above areas and more complete information is given on both in the Annual Report.

***Tercentenary special exhibition***

A special exhibition will take place as a joint project with the Royal Academy of Arts, commencing in September 2007. Costs are to be shared by the two organisations as will income derived from the exhibition. Costs incurred by the Society to date include fees for a specialist consultant and support for the Library team. A credit agreement has been made with our bank in order to finance the work prior to the exhibition. This financing does not become repayable until income is received from the exhibition.

***Tercentenary Festival Programme***

Towards the end of financial year, the Society started to plan for a Tercentenary Festival Programme to include both keynote public lectures and Fellows' events. Whilst there has been no cost associated with the programme to date, 2007 will see this treated as another exceptional item.

***Burlington House Refurbishment***

It is planned to refurbish the main public spaces in the Society's premises at Burlington House, Piccadilly. This major work will provide suitable meeting spaces and facilities for the Society's Fellowship and for the cultural heritage community in general. Costs include architects fees and professional investigative work to assess the present condition of the rooms. These initial costs have been covered by capital draw down but the Society is seeking third party support to finance this work.

**Summary**

The financial year ended September 2006 has consolidated the work of previous years. We look forward to the year ended September 2007 when we can announce both the opening of the Tercentenary Exhibition and the first lecture in our refurbished meeting room. It will be essential to carefully monitor both projects to ensure that the Society expends its resources in the best possible way. The cost implications of normal operating activities are carefully controlled but 2007 will see further increases as we pay rental and service charges on Burlington House and start to undertake the routine maintenance of the building. Bearing all this in mind, Council will continue to look to the Fellowship for support in establishing new sources of revenue.

**The Society of Antiquaries of London**  
**Report of the Council**  
**For the year ended 30 September 2006 (continued)**

**Plans for Future Periods**

The Society will be focussing during 2006-7 and 2007-08 on the planning and delivery of its Tercentenary Festival Programme, which launches with the opening of the Society's special exhibition at the Royal Academy in September 2007. Discussions are currently taking place with the Heritage Lottery Fund over the possibility of touring the exhibition to regional locations around England during 2008 and 2009, where Fellows and the members of local history and archaeological societies community would be asked to make a local contribution to the exhibition content. Next year will also see the Society embark on a major programme of refurbishment and renewal of facilities at Burlington House, the results of which are vital to maintain and enhance the Society's role as a central venue for the promotion of debate and the communication of research. The beginning of the Tercentenary year in the Autumn of 2007 provides the opportunity to launch the Society's development campaign for external financial support.

Approved by the Council on 1<sup>st</sup> February 2007

.....  
Eric Fernie

.....  
Martin Millett

## **The Society of Antiquaries of London Statement of Council's Responsibilities**

Law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the Society's financial activities during the year and of the financial position of the Society and the group at the end of the year.

In preparing financial statements giving a true and fair view, the Council should follow best practice and:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Society will continue in operation.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and enable it to ensure that the financial statements comply with the applicable law. It is also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Report of the Fellows appointed under Chapter XVIII of the Statutes of the Society of Antiquaries of London to the Society**

We have examined the financial statements set out on pages 23 to 35.

As stated in the Independent Auditors' Report on page 21, charity law requires the Society to appoint an independent firm of registered auditors to carry out an audit of the Society's accounts. In carrying out our duties as set out in Chapter XVIII of the statutes of the Society we have relied upon the audit work carried out by the independent auditors, in particular with regard to the checking of receipts, examination of vouchers and certification of securities.

We have obtained confirmation from the independent auditors that, as a result of their audit work, which included sample checking of receipts and examination of vouchers, they are satisfied that the Society has maintained proper accounting records in accordance with section 41 of the Charities Act 1993 and paragraph 2 of Chapter XIII of the statutes of the Society. The investments of the Society have been verified by certificates received from the Society's investment advisers, and certificates confirming the Society's balances with their bankers have also been obtained.

In carrying out our examination of the accounts and investigation into the financial condition of the Society no matter has come to our attention that we consider necessary to report to the Society.

.....  
G.M. Andrews

.....  
E.B. Nurse

.....  
R. Hutchinson

.....  
D. Turner

Date: 2<sup>nd</sup> February 2007

## **Independent Auditors' Report to the Council of The Society of Antiquaries of London**

We have audited the group and parent charity financial statements of the Society of Antiquaries for the year ended 30 September 2006 which comprise the Group Statements of Financial Activities, the Group and Society Balance Sheets and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Society's trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's trustees those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

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

The Council's responsibilities for preparing the Report of Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of Council is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law in respect of trustees' remuneration and other transactions is not disclosed.

We read the Report of Council and consider the implications for our report if we become aware of any apparent misstatements within it. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent Auditors' Report to the Council of The Society of Antiquaries of London (continued)**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the group's and Society's affairs as at 30 September 2006 and of the group's and Society's incoming resources and application of resources, including the income and expenditure of the group for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

Devonshire House  
60 Goswell Road  
London EC1M 7AD  
Date:

Kingston Smith LLP  
Chartered Accountants  
and Registered Auditors

Date: 2<sup>nd</sup> February 2007

**The Society of Antiquaries of London**  
**Consolidated Statement of Financial Activities**  
**For the year ended 30 September 2006**

	2006	2006	2006	2006	2005
Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Total Funds (restated)
	£	£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
<i>Voluntary income:</i>					
Donations, grants & bequests	3,252	96,634	-	99,886	135,923
<i>Activities for generating funds:</i>					
Turnover from Trading Subsidiary	-	228,505	-	228,505	185,785
Funds raised	1,269	-	-	1,269	
Hire of rooms	77,127	-	-	77,127	64,321
<i>Investment &amp; interest Income:</i>	3	282,317	187,816	-	470,133
<b>Incoming resources from charitable activities:</b>					
Subscriptions & Admissions	2	296,410	-	-	296,410
Sales of publications & copyrights		22,931	18,613	-	41,544
<b>Other incoming resources:</b>					
Miscellaneous Income		-	3,483	-	3,483
	<u>683,306</u>	<u>535,051</u>	<u>-</u>	<u>1,218,357</u>	<u>1,084,158</u>
<b>TOTAL INCOMING RESOURCES</b>					
<b>RESOURCES EXPENDED</b>					
<b>Cost of Generating Funds</b>					
<i>Costs of generating voluntary income:</i>					
Fund Raising Consultant (Tercentenary Campaign)	21,576	-	-	21,576	2,842
<i>Cost of trading operations:</i>					
Cost of Sales of Trading Subsidiary	-	82,307	-	82,307	72,668
<i>Investment Manager's costs:</i>	<u>38,599</u>	<u>4,484</u>	<u>12,769</u>	<u>55,852</u>	<u>50,846</u>
	<u>60,175</u>	<u>86,791</u>	<u>12,769</u>	<u>159,735</u>	<u>126,356</u>
<b>Charitable activities</b>					
Fostering Public Understanding	5	239,660	216,994	-	456,654
Engaging in Public Policy	6	67,353	-	-	67,353
Supporting Research & Communicating its results	7	300,961	223,543	-	524,504
Promoting the Interests of the Fellowship	8	157,141	-	-	157,141
Total Charitable activity costs		<u>765,115</u>	<u>440,537</u>	<u>-</u>	<u>1,205,652</u>
<b>Governance Costs</b>	9	<u>62,769</u>	<u>6,720</u>	<u>-</u>	<u>69,489</u>
<b>Total Resources Expended</b>		<u>888,059</u>	<u>534,048</u>	<u>12,769</u>	<u>1,434,876</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(204,753)	1,003	(12,769)	(216,519)
Transfers between funds	12	(14,903)	14,903	-	-
Gains on investment assets		622,030	45,602	177,439	845,071
Net Movement in Funds		<u>402,374</u>	<u>61,508</u>	<u>164,670</u>	<u>628,552</u>
<b>Fund balances brought forward at 1 October 2005</b>		6,860,436	3,710,364	2,354,876	12,925,676
<b>Fund balances carried forward at 30 September 2006</b>	22	<u>7,262,810</u>	<u>3,771,872</u>	<u>2,519,546</u>	<u>13,554,228</u>

# The Society of Antiquaries of London

## Balance Sheets at 30 September 2006

	Note	Group 2006	Society 2006	Group 2005	Society 2005
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	13	218,329	218,329	257,301	257,301
Investments	14	<u>13,098,289</u>	<u>13,098,289</u>	<u>12,447,827</u>	<u>12,447,827</u>
		<u>13,316,618</u>	<u>13,316,618</u>	<u>12,705,128</u>	<u>12,705,128</u>
<b>Current Assets</b>					
Stock		47,674	2,340	60,437	2,938
Debtors	15	159,467	265,703	115,174	252,208
Cash at bank and in hand		<u>317,653</u>	<u>251,329</u>	<u>238,377</u>	<u>145,295</u>
		524,794	519,372	413,988	400,441
<b>Liabilities:</b>					
Amounts falling due within one year	16	<u>(206,184)</u>	<u>(201,757)</u>	<u>(193,440)</u>	<u>(180,888)</u>
<b>Net Current Assets</b>		<u>318,610</u>	<u>317,615</u>	<u>220,548</u>	<u>219,553</u>
<b>Liabilities:</b>					
Amounts falling due after one year	17	<u>(81,000)</u>	<u>(81,000)</u>	-	-
<b>Net Assets</b>		<u><u>13,554,228</u></u>	<u><u>13,553,233</u></u>	<u><u>12,925,676</u></u>	<u><u>12,924,681</u></u>
 <b>Funds</b>					
Permanent Endowment Funds	18	2,519,546	2,519,546	2,334,371	2,354,876
Restricted Capital Funds	19	3,413,980	3,413,980	3,457,862	3,372,862
Restricted Income Funds	20	357,892	356,897	228,242	336,507
Unrestricted Funds	21	<u>7,262,810</u>	<u>7,262,810</u>	<u>6,905,201</u>	<u>6,860,436</u>
		<u><u>13,554,228</u></u>	<u><u>13,553,233</u></u>	<u><u>12,925,676</u></u>	<u><u>12,924,681</u></u>

Approved by the Council on 1st February 2007

.....  
Eric Fernie

Members of Council

.....  
Martin Millett

# The Society of Antiquaries of London

## Notes to the Financial Statements

### For the year ended 30 September 2006

#### 1 Accounting Policies

The following policies have been adopted consistently in dealing with all material items in the financial statements.

##### Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with applicable accounting standards and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005. Comparative figures have been adjusted to reflect compliance with the new SORP.

##### Investment Income

Investment Income is recognised when received by investment managers. In 2006, the Investment managers ceased to offset commission received from income and fees. Both investment income & management fees are now shown at the gross amounts. Comparatives for 2005 have been similarly grossed up. This change of charging basis for management fees meant that recognition of the fee changed from a cash basis to an accruals basis, thus resulting in a one-off higher charge in fees for 2006.

##### Governance Costs

Governance costs relate to the direct costs associated with the constitutional and statutory requirements of the charity and include the costs of external audit, secretariat and other constitutional related costs.

##### Fixed Assets and Depreciation

Expenditure of a capital nature is capitalised and depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Building improvements	10 years
Building improvements at Kelmscott	25 years (previously 10 years)
Lift	25 years
Furniture, fittings and equipment	4 - 5 years
Computer equipment	4 years

Cottages on the Kelmscott Estate are not depreciated but are shown at their open market values as the Society receives rental income therefrom.

No value is attributable in the balance sheet for the Society's library, antiquities, pictures or Kelmscott Manor, as these items are of a heritage nature.

The Society's collections and Kelmscott Manor are maintained to advance the conservational and educational objectives of the charity. Substantially all of these items have been donated to the Society over many years and reliable cost/valuation information is not available. As noted in the Report of the Council, the cost of obtaining current valuations would be onerous when compared with any additional benefit that might be derived in assessing the stewardship of the Society's assets. It is additionally considered impractical to apply conventional valuation techniques to the collections, due to the uniqueness of their nature. Similarly, it is not appropriate to apply conventional valuation techniques to the property, Kelmscott Manor, due to its unique association with William Morris making the property irreplaceable in terms of recreating the same educational benefits.

During the year £865 (2005: £10,560) was spent on the acquisition of heritage possessions.

##### Investments

The Society's investments are included in the financial statements at their mid-market values at the balance sheet date. Realised and unrealised gains and losses on investments are added to or deducted from the appropriate fund in the balance sheet.

##### Stock

Stock of goods for resale is stated at the lower of cost and net realisable value. The majority of the Society's stock of publications are learned journals, research reports and occasional papers which are issued to Fellows. Unissued copies are available for resale but no value is attributed to them as the demand is uncertain.

##### Grants Payable

These are charged to the relevant fund in the Statement of Financial Activities in the period in which the commitment is made.

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**1 Accounting Policies (Continued)**

**Bequests and Legacies**

Bequests and legacies are included in the Statement of Financial Activities in the accounting year in which they are receivable. They are allocated between the Society's funds in accordance with the donors' wishes, where expressed.

**Subscriptions**

Fellows' subscriptions cover a calendar year to 31 December. They are time apportioned over the accounting periods to which each calendar year relates. Sums received in respect of subscriptions compounded in accordance with the Society's statutes are included in the Statement of Financial Activities in the year in which they are received. No reserve has ever been made for any unexpended balance as the amounts involved are not material.

**Pension Scheme Contributions**

The pension schemes of the Society are funded by contributions partly from the employees and partly from the Society at rates determined by the Universities Superannuation Scheme. Such contributions are held in trustee administered funds completely independent of the Society's finances.

The contributions made by the Society are charged to the Statement of Financial Activities when paid.

**Allocation of Expenditure**

Expenditure is allocated directly to the charitable objective to which it relates. For staff costs and other overheads which cannot be wholly allocated to any one objective, the apportionment between objectives is on a basis reflecting the split of resources used.

**Consolidation**

The Society is the sole registered member of Lucerna Limited, a company Limited by guarantee, which operates the shop, collects admission fees and provides refreshment facilities to the public at Kelmscott Manor, the Society's property in Oxfordshire. The company pays its taxable profit to the Society under Gift Aid. Consolidated accounts have been prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities.

**2 Subscriptions and Admissions**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Subscriptions for year	228,719	217,958
Admissions in year	18,078	10,821
Tax recoverable on gift aided subscriptions	49,613	35,349
	<b>296,410</b>	<b>264,128</b>

**3 Interest and Investment Income**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total 2006</b>	<b>Total 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Income from listed investments and interest receivable from investment managers	278,008	135,413	413,421	330,170
Bank deposit interest	4,309	1,888	6,197	1,814
Rents from Kelmscott Cottages	-	50,515	50,515	54,305
	<b>282,317</b>	<b>187,816</b>	<b>470,133</b>	<b>386,289</b>

**4 Grants Payable**

A complete list of the grants payable is given in the Annual Report to Fellows, copies of which can be obtained from the General Secretary. The total grants awarded out of restricted income funds is shown in note 20 to the financial statements.

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**5 Fostering Public Understanding**

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 (restated)
	£	£	£	£
Operating costs of Kelmscott (App I)	-	186,345	186,345	193,025
Conservation Grants		12,625	12,625	9,750
Building & Office Running Costs	60,099	-	60,099	48,990
Staff costs	28,988	-	28,988	24,511
Depreciation	16,592	-	16,592	24,020
Recharge of costs between funds	(17,997)	17,997	-	-
Sundry Costs		27	27	63
<b>Exceptional Items:</b>				
Preparation of Tercentenary Exhibition	104,535	-	104,535	14,000
Planning for Refurbishment	47,443	-	47,443	-
Major work at Kelmscott Manor	-	-	-	163,776
	<u>239,660</u>	<u>216,994</u>	<u>456,654</u>	<u>478,135</u>

**6 Engaging in Public Policy**

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 (restated)
	£	£	£	£
Salon & Website	25,770	-	25,770	20,099
Staff costs	25,143	-	25,143	22,822
Building & Office Running Costs	16,440	-	16,440	12,248
	<u>67,353</u>	<u>-</u>	<u>67,353</u>	<u>55,169</u>

**7 Supporting Research & Communicating its Results**

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 (restated)
	£	£	£	£
Library Activities	38,550	50,326	88,876	88,026
Publications	-	118,881	118,881	99,258
Research Grants	-	34,901	34,901	35,907
Lectures & Annual Report	9,526	-	9,526	10,303
Building & Office Running Costs	45,074	-	45,074	37,124
Staff costs (£177.4k wrt Library)	200,159	-	200,159	181,869
Depreciation	25,139	-	25,139	35,433
Recharge of costs between funds	(17,487)	17,487	-	-
Sundry costs	-	1,948	1,948	-
	<u>300,961</u>	<u>223,543</u>	<u>524,504</u>	<u>487,920</u>

**8 Promoting the Interest of the Fellowship**

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 (restated)
	£	£	£	£
Communication with & Election of Fellows	24,417	-	24,417	28,846
Staff costs	98,956	-	98,956	91,042
Building & Office Running Costs	30,496	-	30,496	24,925
Depreciation	3,272	-	3,272	5,326
	<u>157,141</u>	<u>-</u>	<u>157,141</u>	<u>150,139</u>

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**9 Governance Costs**

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 (restated)
	£	£	£	£
Audit Fees	13,000	2,000	15,000	14,000
Financial Advice & Accountancy	40,329	4,720	45,049	40,479
Legal & Professional	2,140	-	2,140	-
Legal Costs for Burlington House	-	-	-	35,201
Bank Charges	4,330	-	4,330	5,687
Council and Committee Meetings	2,970	-	2,970	3,413
	<u>62,769</u>	<u>6,720</u>	<u>69,489</u>	<u>98,780</u>

**Auditors' remuneration**

	2006	2005
	£	£
Audit Fee	15,000	14,000
Non-Audit Services	4,225	2,000
	<u>19,225</u>	<u>16,000</u>

**10 Employee Information**

The average number of persons employed by the Society during the year was:

	2006	2005
Library and museum	7	6
Administration and management	5	4
Kelmscott Manor	<u>11</u>	<u>11</u>
	<u>23</u>	<u>21</u>

All staff at Kelmscott Manor are part time and working patterns reflect the seasonal nature of the activities at Kelmscott. Only five members of staff have a Full time Equivalent exceeding 0.7.

	2006	2005
	£	£
Their total remuneration was:		
Wages and salaries	398,116	340,098
Social security costs	33,297	29,381
Pension costs	42,713	31,423
	<u>474,126</u>	<u>400,902</u>

No employee received remuneration in excess of £60,000 (2005 - none).

No remuneration has been paid to the members of Council other than the reimbursement to 15 Council members of their travel expenses totalling £5,755 (2005 - £4,249, 9 members), incurred when attending meetings or other Council business.

# The Society of Antiquaries of London

## Notes to the Financial Statements

### For the year ended 30 September 2006 (Continued)

#### 11 Pension Scheme

The Society participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the net incoming resources for the year in the statement of financial activities being equal to the contributions payable to the scheme for the year.

The latest actuarial valuation of the scheme was at 31 March 2005. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie. the valuation of rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities, the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9% per annum and pensions would increase by 2.9% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum including an additional investment return assumption of 1% per annum, salary increases would be 3.9% per annum and pensions would increase by 2.9% per annum. The valuation was carried out using the projected unit method.

At the valuation date, the value of the assets of the USS was £21,741m and the value of the past service liabilities was £28,308m leaving a deficit of £6,568m. The assets therefore were sufficient to cover 77% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. Using the Minimum Funding Requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at that date; under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 74% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS 17 formula as if USS was a single employer scheme, the actuary estimated that the funding level would have been approximately 90%.

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of salaries but it was agreed that the institution contribution rate will be maintained at 14% of pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The total pension cost for the Society was £42,713 (2005 - £31,423). The contribution rate payable by the Society was 14% of pensionable salaries. The auditors and actuary to the USS have confirmed that it is appropriate to take the pension costs in the Society's accounts to be equal to the actual contributions paid during the year. In addition one employee (2005 - one) pays additional voluntary payments into the scheme.

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**12 Transfers between Funds**

Income from the Hugh Phillips Fund is appropriated to other restricted income funds for the purposes described in note 18. Additional inter-fund transfers are also described in the table that follows.

	Unrestricted 2006 £	Restricted 2006 £	Total 2005 £
<i>Transferred from Hugh Phillips fund:</i>			
Research	-	22,966	9,502
<i>Transferred from R.S. Newall fund:</i>			
Lambarde Memorial Fund	-	-	600
Research	-	-	17,500
<i>Transferred from Research Fund:</i>			
Janet Arnold (prior year adjustment)	-	1,000	-
<i>Transferred from General to Bicentenary Fund</i> (for tercentenary publications)	14,038	-	-
<i>In addition, amounts were transferred to the Kelmscott Income Fund as follows:</i>			
From Kelmscott Capital Fund (for refurbishment costs)	-	-	85,000
From Radford Fund (contribution to cost of historic possessions)	865	-	6,160
	14,903	23,966	118,762

**13 Tangible Assets**

	Building Improvements £	Furniture Fittings and Equipment £	Computer Equipment £	Society Total £	Lucerna Limited Fittings £	Group Total £
<b>Cost</b>						
At 1 October 2005	497,033	58,819	264,415	820,267	23,538	843,805
Additions	-	2,305	9,283	11,588	-	11,588
At 30 September 2006	497,033	61,124	273,698	831,855	23,538	855,393
<b>Depreciation</b>						
At 1 October 2005	282,400	52,424	228,142	562,966	23,538	586,504
Charge for the year	18,575	3,574	28,411	50,560	-	50,560
At 30 September 2006	300,975	55,998	256,553	613,526	23,538	637,064
<b>Net Book Value</b>						
At 30 September 2006	196,058	5,126	17,145	218,329	-	218,329
At 30 September 2005	214,633	6,395	36,273	257,301	-	257,301

**14 Investments**

	Investment Properties £	Listed Investments £	Total 2006 £	Total 2005 £
Market value brought forward	2,350,000	9,550,832	11,900,832	10,999,984
Less: Disposals at opening market value (proceeds 5,929,369, gain £142,268)	-	(5,787,101)	(5,787,101)	(3,319,211)
Add: Acquisitions at cost	-	6,216,087	6,216,087	3,068,748
Net gains on revaluation	-	702,803	702,803	1,151,311
	2,350,000	10,682,621	13,032,621	11,900,832
Cash held by investment managers	-	65,668	65,668	546,995
Market value carried forward	2,350,000	10,748,289	13,098,289	12,447,827
Cost (excluding cash balances)	59,238	8,973,218	9,032,456	7,706,244

The investment properties relate to the Kelmscott Cottages from which rental income is derived. They were valued on an open market value basis by Carter Jonas LLP, a firm of independent Chartered Surveyors, on 6 January 2005.

All of the investments are listed on the UK Stock Exchange.

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**15 Debtors**

	<b>Group 2006</b>	<b>Society 2006</b>	<b>Group 2005</b>	<b>Society 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Subscriptions and room hire debtors	13,290	13,290	17,288	16,913
Investment income receivable	43,996	43,996	35,444	35,444
Income tax recoverable	16,570	16,570	6,118	6,118
Other debtors	31,309	27,195	22,099	18,954
Amount owed by Lucerna Limited (see below)		110,351	-	141,554
Prepayments	54,301	54,301	34,225	33,225
	<u>159,466</u>	<u>265,703</u>	<u>115,174</u>	<u>252,208</u>

	<b>Group 2006</b>	<b>Society 2006</b>	<b>Group 2005</b>	<b>Society 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
The amount owed by Lucerna Limited comprises:				
Gift Aid donation due	-	66,788	-	30,920
Current account	-	8,563	-	75,634
Loan bearing interest at Lloyds Bank plc base rate plus 3%	-	35,000	-	35,000
	<u>-</u>	<u>110,351</u>	<u>-</u>	<u>141,554</u>

**16 Liabilities: Amounts falling due within one year**

	<b>Group 2006</b>	<b>Society 2006</b>	<b>Group 2005</b>	<b>Society 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdraft	-	-	26,558	22,976
Creditors and grants payable	56,278	56,278	43,206	39,859
VAT payable	339	134	3,286	3,286
PAYE payable	11,470	11,470	9,042	9,042
Subscription income in advance	57,978	57,978	54,786	54,786
Accruals and other deferred income	80,119	75,897	56,562	50,939
	<u>206,184</u>	<u>201,757</u>	<u>193,440</u>	<u>180,888</u>

**17 Liabilities: Amounts falling due after more than one year**

	<b>Group 2006</b>	<b>Society 2006</b>	<b>Group 2005</b>	<b>Society 2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Coutts Loan	<u>81,000</u>	<u>81,000</u>	<u>-</u>	<u>-</u>

The loan facility with Coutts is secured by way of a Memorandum of Deposit of stocks and shares dated 23 June 1992 and supported by an undertaking of Sarasin Chiswell Associates Limited, to hold stocks and shares to the Bank's order to a value of £800,000. The credit facility available of £800,000 is to be used to help finance the costs of the Tercentenary Exhibition.

The loan is repayable on an interest only basis until February 2008, at which time the Bank would expect a substantial repayment to be made from exhibition income and the remainder to be repaid over a 2 year term. Interest is chargeable at a variable rate to maintain a rate at 1.75% above the Bank's Base Rate.

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

18 Permanent Endowment Funds	Balance at 30.9.05 £	Investment Management Fees £	Net Investment Gains £	Balance at 30.9.06 £
Stevenson Fund	71,385	(414)	6,408	77,379
Somers Clarke Fund	12,112	(67)	1,045	13,090
Robert Garraway Rice Fund	27,329	(158)	2,446	29,617
William Lambarde Memorial Fund	30,346	(173)	2,676	32,849
William and Jane Morris Fund	542,682	(2,346)	15,661	555,997
Croft Lyons Fund	43,396	(156)	2,632	45,872
Tessa and Mortimer Wheeler Fund	28,947	(103)	1,741	30,585
Hugh Phillips Fund	1,322,760	(7,675)	118,859	1,433,944
Janet Arnold Fund	275,919	(1,677)	25,971	300,213
	<u>2,354,876</u>	<u>(12,769)</u>	<u>177,439</u>	<u>2,519,546</u>

The permanent endowment funds represent capital funds which have been donated or bequeathed to the Society, the income from which is to be applied for specific purposes within the Society's objects. The permanent endowments do not contain any power to convert capital into income except by application to the Charity Commissioners.

The nature and purpose of each of the funds is as follows:

**Stevenson and Somers Clarke Funds**

The income from these funds is for the general purposes of the Society.

**Robert Garraway Rice Fund**

The income from this fund is applied to the general purposes of the Society with special reference to the Research Fund, including prehistoric archaeology such as subscriptions to excavations and to works and papers dealing with the same, also for promoting and assisting genealogical research. The income is therefore transferred to the Research Fund and grants awarded accordingly.

**William Lambarde Memorial Fund**

The income from this fund is applied for the provision of a travelling scholarship or scholarships in archaeology or otherwise for the promotion of antiquarian studies.

**William and Jane Morris Fund**

This was formed in 1939, and its income is devoted primarily to grants for the conservation of churches and their fittings, although secular buildings are not excluded.

In June 2004 the Trustees of the Lesley David Trust (charity number 262760) decided to transfer the assets of the Trust to the Society in order for the Society to manage the assets and distribute the income for conservation grants. Accordingly the donated assets have been allocated to the Morris Fund in accordance with the wishes of the Trustees of the Lesley David Trust.

**Croft Lyons Fund**

The income from this fund, founded in 1926 is, following Colonel Croft Lyons' direction, applied to the encouragement of the study of heraldry and in the first instance to the preparation of a new edition of *Papworth's Ordinary of Arms* to be published by the Society.

**Tessa and Mortimer Wheeler Fund**

This was reconstituted in 1976, and provides travel grants to students of archaeology.

**Hugh Phillips Fund**

The income from this fund is appropriated to the Bicentenary (Publications) Fund and to the Research Fund at the discretion of the Council but with a restriction that research grants awarded therefrom are towards increasing knowledge of life and customs in the British Isles at any period prior to AD 1800.

**Janet Arnold Fund**

This was formed in 2002 and is to fund research into the history of dress.

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**19 Restricted Capital Funds**

	<b>Balance at</b>	<b>Investment</b>	<b>Investment</b>	<b>Balance at</b>
	<b>1.10.2005</b>	<b>Management</b>	<b>Gain/(Loss)</b>	<b>30.9.2006</b>
	<b>£</b>	<b>Fees</b>	<b>£</b>	<b>£</b>
Research Fund	67,416	(28)	(34)	67,354
Bicentenary (Publications) Fund	384,495	(1,083)	383	383,795
Kelmscott Fund	97,841	(600)	2,310	99,551
Kelmscott Cottages	2,350,000	-	-	2,350,000
Gravett Fund	473,110	(2,773)	42,943	513,280
	<u>3,372,862</u>	<u>(4,484)</u>	<u>45,602</u>	<u>3,413,980</u>

The restricted capital funds have arisen from specific allocations and appeals by the Council for the purposes indicated below. These are distinguished from permanent endowments by the fact that the Council has power to spend the capital if necessary.

**Research Fund**

The Research Fund, inaugurated in 1889, provides grants to support archaeological and documentary research within the Society's fields of interest.

The Joan Pye Awards have been established to assist scholars who have completed a post-graduate research degree, with further work in the fields of prehistoric and Roman archaeology within the United Kingdom.

The Hugh Chapman Memorial Research Fund provides awards for projects dealing with the Western Roman Empire and archaeological and antiquarian matters in London and its environs.

**Bicentenary (Publications) Fund**

The Bicentenary (Publications) Fund, established after the Bicentenary of the Royal Charter in 1951, provides for the cost of the Society's publication series.

**Kelmscott Funds**

Kelmscott Manor and Estate was bequeathed to the Society under the terms of the will of May Morris. The Manor is not valued in the accounts because it is of an historic nature. The invested funds have arisen following the disposal of part of the Estate property, which is required to be spent on the maintenance and conservation of historic buildings. Although the capital can be spent under the terms of the will it is presently being invested and the income utilised in maintaining Kelmscott Manor.

The cottages on the Estate are let to tenants on an arms' length basis and have therefore been included at their open market value at the balance sheet date.

The restricted income fund incorporates the activities of Lucerna Ltd through which trading activity at Kelmscott Manor is conducted. A combined income and expenditure account, which incorporates Lucerna Ltd, is given in Appendix I.

**Gravett Fund**

This fund has been created following the bequest of Kenneth Gravett, FSA, most of which was received during 2001. The terms of the bequest permit the capital and the income to be spent on library activities. Currently the funds are generating income which is credited to a separate restricted income fund for library activities.

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**20 Restricted Income Funds**

	Janet Arnold	Library Activities	William Lambarde Memorial	William & Jane Morris	Croft Lyons	Tessa & Mortimer Wheeler	Garraway Rice & Research	Bicentenary (Publications)	Hugh Phillips	Kelmscott	Total
<b>Incoming Resources</b>											
Donations, grants & bequests	-	28,394	-	-	-	-	5,680	39,218	-	23,342	96,634
Income from Sarasin-Chiswells & Cottage Rental (Kelmscott)	11,637	19,242	1,200	24,836	1,634	1,080	5,709	14,451	53,261	52,878	185,928
Interest	-	-	-	-	-	-	-	-	-	1,888	1,888
Sales	-	1,851	-	-	-	-	-	16,762	-	228,505	247,118
Miscellaneous Income	-	-	-	-	-	-	-	-	-	3,483	3,483
<b>Total Incoming Resources</b>	<b>11,637</b>	<b>49,487</b>	<b>1,200</b>	<b>24,836</b>	<b>1,634</b>	<b>1,080</b>	<b>11,389</b>	<b>70,431</b>	<b>53,261</b>	<b>310,096</b>	<b>535,051</b>
<b>Resources Expended</b>											
<b>Cost of Generating Funds</b>											
Cost of Sales of Trading Subsidiary	-	-	-	-	-	-	-	-	-	82,307	82,307
<b>Charitable activities</b>											
Fostering Public Understanding	-	-	-	15,136	-	-	-	-	-	201,858	216,994
Supporting Research & Communicating its results	1,164	52,953	2,105	-	9,883	1,308	32,847	115,836	7,447	-	223,543
<b>Governance Costs</b>	-	-	-	-	-	-	-	-	-	6,720	6,720
<b>Total Resources Expended</b>	<b>1,164</b>	<b>52,953</b>	<b>2,105</b>	<b>15,136</b>	<b>9,883</b>	<b>1,308</b>	<b>32,847</b>	<b>115,836</b>	<b>7,447</b>	<b>290,885</b>	<b>529,564</b>
<b>Net incoming/(outgoing) resources before transfers</b>	<b>10,473</b>	<b>(3,466)</b>	<b>(905)</b>	<b>9,700</b>	<b>(8,249)</b>	<b>(228)</b>	<b>(21,458)</b>	<b>(45,405)</b>	<b>45,814</b>	<b>19,211</b>	<b>5,487</b>
Transfers between funds	1,000	-	-	-	-	-	21,966	14,038	(22,966)	865	14,903
<b>Net Movement in Funds</b>	<b>11,473</b>	<b>(3,466)</b>	<b>(905)</b>	<b>9,700</b>	<b>(8,249)</b>	<b>(228)</b>	<b>508</b>	<b>(31,367)</b>	<b>22,848</b>	<b>20,076</b>	<b>20,390</b>
Fund balances brought forward at 1 October 2005	17,463	16,619	72	34,216	7,797	3,312	745	177,577	74,556	5,145	337,502
<b>Fund Balances carried forward at 30 September 2006</b>	<b>28,936</b>	<b>13,153</b>	<b>(833)</b>	<b>43,916</b>	<b>(452)</b>	<b>3,084</b>	<b>1,253</b>	<b>146,210</b>	<b>97,404</b>	<b>25,221</b>	<b>357,892</b>

**The Society of Antiquaries of London**  
**Notes to the Financial Statements**  
**For the year ended 30 September 2006 (Continued)**

**21 Unrestricted Funds**

Included in General Purposes Fund investments are the following funds whose income is allocated on the basis of units held within the General Purposes Fund:

Fund	No. of Units	Value of Investment Fund £	Interest and Investment Income £
W.L. Hildburgh	9,675	62,131	2,350
I.D. Margary	225,571	1,448,579	54,810
Minet /Evans	480,470	3,085,494	116,749
A.W.G. Lowther	73,449	471,677	17,847
R.S. Newall	296,297	1,902,769	71,504
C.A.R. Radford	60,293	387,192	14,715
Owen	137	880	33
Total	<u>1,145,892</u>	<u>7,358,722</u>	<u>278,008</u>

In accordance with the wishes expressed in his will, income from the R.S. Newall Fund is used for the purposes of "Research in the widest sense". The income for 2006 has been utilised to fund library expenditure to facilitate research activities.

The income attributable to the Owen Fund is utilised in library expenditure within the General Fund in accordance with the wishes of the donor.

**22 Analysis of Group Net Assets between Funds**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Fixed assets	108,961	109,368	-	218,329
Investments	7,447,600	2,989,018	2,661,670	13,098,288
Temporary transfer of invested cash	(110,000)	110,000	-	-
Inter-fund loans	50,000	(50,000)	-	-
Liabilities due after one year	(81,000)	-	-	(81,000)
Other net current (liabilities)/assets	<u>(152,751)</u>	<u>613,486</u>	<u>(142,124)</u>	<u>318,611</u>
	<u>7,262,810</u>	<u>3,771,872</u>	<u>2,519,546</u>	<u>13,554,228</u>

**23 Operating Lease Commitments**

On 1 February 2005 the Society entered into an operating lease for Burlington House. The lease runs for 10 years and expires 31 January 2015. For the first 2 years of the lease a peppercorn rent is due, then for the remaining 8 years £17,200 is payable per annum.

**The Society of Antiquaries of London**  
**Appendix I**  
**Kelmscott Manor and Lucerna Limited**  
**Combined Income and Expenditure Account**  
**For the year ended 30 September 2006**

	2006	2005
<b>Income</b>	<b>£</b>	<b>£</b>
Donations and grants	23,342	43,698
Grant for building work	-	10,000
Grant for Painting	-	4,400
Interest and investment income	4,251	4,760
Rents from Cottages	50,515	54,305
Admission fees	67,658	46,921
Catering	41,093	32,572
Goods & Books sold	119,754	106,292
Photo/film fees	341	352
Other income	3,142	1,075
	<hr/>	<hr/>
<b>Total Income</b>	<b>310,096</b>	<b>304,375</b>
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<b>Cost of Sales</b>		
Catering cost of sale	15,439	10,287
Goods and Books for resale	50,828	51,026
Shop expenses	9,216	4,579
Restaurant Expenses	1,599	1,669
Printing admission tickets	3,107	2,413
Work to Ticket Office	-	1,358
Credit card charges	2,118	1,336
	<hr/>	<hr/>
	<b>82,307</b>	<b>72,668</b>
	<hr/>	<hr/>
<b>Gross Profit</b>	<b>227,789</b>	<b>231,707</b>
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<b>Expenditure</b>		
Salaries	99,943	77,698
Staff training and recruitment	2,366	9,375
Repairs and maintenance	16,216	24,441
Major work to Manor	-	163,776
Rates and household	11,657	10,331
Insurance	12,091	14,478
Post and telephone	3,214	6,478
Printing, stationery and computer expenses	4,850	-
Photography and shop	199	52
Publicity	4,014	3,283
Work to website	1,800	150
Garden expenses	2,848	1,434
Addition to collection	865	10,560
Professional fees	6,499	7,991
Audit and accountancy	6,720	11,440
Depreciation	5,556	6,058
Recharge support costs	15,433	14,499
Sundries	14,307	12,255
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<b>Total Expenditure</b>	<b>208,578</b>	<b>374,299</b>
	<hr/>	<hr/>
<b>Net Surplus/(Deficit)</b>	<b>19,211</b>	<b>(142,592)</b>
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