

**Company Number 05743962
Charity Number 1113753
Scotland Charity Number SC039244
Ireland Charity Number 20158736**

**THE SOCIETY FOR THE PROTECTION
OF ANCIENT BUILDINGS
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



**THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
TRUSTEES AND PROFESSIONAL ADVISORS
YEAR ENDED 31 DECEMBER 2020**

TRUSTEES

Iain Boyd	(Chair, Resigned 17 May 2020)
Charles Wagner	(Vice Chair)
Christopher Wheaton	(Hon Treasurer)
Prof Peter Burman MBE	(Resigned 17 May 2020)
Mildred Cookson	
Gillian Darley OBE	(Resigned 17 May 2020)
Richard Max	
Duncan McCallum	
Rachel Morley	(Resigned 25 Jan 2021)
Jessica Sutcliffe	(Resigned 17 May 2020)
Nichola Tasker	
James Weir	(Resigned 17 May 2020)
Hazel Morris	(From 18 May 2020)
Conor Meehan	(From 18 May 2020)
Jamie Mcnamara	(From 18 May 2020)
Catherine Cullis	(From 18 May 2020)
Triona Byrne	(From 19 May 2020)

DIRECTOR AND CHIEF EXECUTIVE Matthew Slocombe

REGISTERED OFFICE 37 Spital Square, London E1 6DY

COMPANY NUMBER 05743962

REGISTERED CHARITY NUMBER 1113753

SCOTLAND REGISTERED CHARITY NUMBER SC039244

REPUBLIC OF IRELAND CHARITY NUMBER 20158736

AUDITOR

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London
EC4M 7JW

ACCOUNTANTS

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One Crown Square
Woking
GU21 4HR

INVESTMENT ADVISORS

Kleinwort Benson Private Banking Ltd
14 St George Street
London
W15 1FE

BANKERS

HSBC Plc
Charing Cross Branch
Strand 455
London
WC2R 0RH

SOLICITORS

Stephenson Harwood
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London
EC2M 7SH

Stone King
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EC1N 6TD

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
TRUSTEES REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020



The Directors of the company, who are also the charity trustees and members of the Board, have pleasure in presenting their combined annual report under the Companies Act 2006 and Charities Act 2011 together with the audited accounts for the financial year ended 31 December 2020.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society is a charitable company being a successor to the unincorporated charity of the same name which was originally founded in 1877.

The Society is governed by Memorandum and Articles of Association last amended in 2018. The charitable company was registered with the Charity Commission in England and Wales on 14 April 2006 as number 1113753. It is also registered in Scotland SC039244 and the Republic of Ireland 20158736.

The Society is managed by up to 12 trustees who form a Board and meet four times a year. Board members can serve up to two terms of three years. The Board appoints the Honorary Officers and is assisted by Staffing and Finance & Audit sub-committees.

Guardianship embraces the members of eight committees: Advocacy; Casework Education & Training; Technical & Research; Mills; SPAB Scotland; SPAB Ireland; and Regional Group Chairs. Each of these committees has at least one third of its Guardians elected from the membership, with the remaining Guardians co-opted for their specialist skills.

The company, which is limited by guarantee, does not have a share capital and is constituted as a charity. Every Guardian undertakes to contribute an amount not exceeding £10 in the event of winding-up.

The SPAB is also registered as a charity in Scotland and in the Irish Republic.

TRUSTEE RECRUITMENT & INDUCTION

The 2018 Articles allow eight of the 12 trustees to be elected from the Society's Guardian committees. Each committee nominates an individual, who is usually one of its members, to sit on the Board. In addition, there are four co-opted places, where the Board selects individuals to be trustees for their specialist skills in matters such as finance or law. New trustees attend an induction session which covers matters such as the SPAB's history, idea, operation and assets. They are also provided with written briefing material.

REMUNERATION POLICY

The Society's approach to remuneration is designed to ensure we can attract and retain the talented and motivated people we need to achieve our mission and deliver our strategic goals. It is applied consistently across the organisation. We aim to pay competitively in the not-for-profit sector within the context of affordability. Salaries of all staff are reviewed annually by trustees on the Staffing Committee.

DIRECTOR

The Director is responsible for the day to day management of the Society's affairs and for implementing policies agreed by the Board of Trustees. The Director is assisted by the senior management team and staff.

OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Charity's objects as declared in the Memorandum and Articles of Association are the preservation and protection of ancient buildings for the benefit of the public guided by the principles declared in the Manifesto of The Society for the Protection of Ancient Buildings by the Founders in 1877. Among other powers to further the Objects is the power to promote education of the public, legislation and research and the publication of the useful results of such research.

PUBLIC BENEFIT

The Trustees, in accordance with Section 17 of the Charities Act 2011, have given due regard to the guidance issued by the Charity Commission and consider the organisation to offer public benefit through a wide range of its activities. These include our free technical help line, advice to local authorities through the planning system, training schemes and courses with bursary places, and free online publications.

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FUNDRAISING POLICY

The SPAB is committed to the highest standards in fundraising. The Society is registered with the Fundraising Regulator and by extension upholds the Fundraising Promise and complies with all the relevant standards as set out in the Code of Fundraising Practice. The in-house Fundraising Policy is informed by the Code of Fundraising Practice. All of our in-house fundraising team are members of the Institute of Fundraising and are actively encouraged and enabled to keep their knowledge of regulations and standards up to date. The SPAB does not currently use third party providers of fundraising services. The one exception to this in 2020 was a small project in Edinburgh where £66 was raised by an organisation called Cobbletales. No co-marketing agreement was made, and no permission to use the SPAB logo was given. Fundraising income is primarily generated through membership, legacies and grant giving trusts, and to a lesser extent individual donations.

ANTI-BRIBERY POLICY

It is the SPAB's policy to conduct its business in an honest and ethical manner, and trustees take a zero-tolerance approach to bribery. The SPAB is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The SPAB remains bound by the laws of the UK, including the Bribery Act of 2010, in respect of its conduct.

VOLUNTEERS

Volunteers contribute to and support the Society in a number of areas such as working parties, casework, education and training, technical advice and research, archives and administration. The Society is grateful to volunteers for their contribution and out of pocket expenses are reimbursed to volunteers where appropriate.

ACHIEVEMENTS AND PERFORMANCE

During 2020 the SPAB's work was inevitably affected by the Coronavirus pandemic, but many activities were able to continue in existing or revised form. There was an impact on income, and the receipt of some legacies was delayed, but the challenges of the year also proved to be a catalyst for much beneficial change. Of particular note was the shift to online courses and training. These proved popular and in many cases drew in a much larger audience than would have been possible with an in-person event. Our main annual on-site working party could not take place on the scale originally planned, but with social distancing and careful site management it was able to go ahead and was still able to accomplish a great deal. The same was true of our Old House Project where a full repair of the building's roof was carried out. We were also able to undertake the planning work necessary for the repair of the SPAB's post mill at Kibworth Harcourt in Leicestershire, which commenced in mid 2021.

(i) Educational Work

Perhaps the major casualties of the year were our long-established training programmes. The William Morris Craft Fellowship and Lethaby Scholarships for architects, surveyors and engineers could not be run as intended. However, the four Fellows and three Scholars selected were supported during the year and were able to undertake some substitute activities. They have been able to commence their training in late spring 2021, with a revised programme but one which still includes much on-site learning. We are extremely grateful to our funders for their continuing support during this difficult period.

The Society's two annual Repair of Old Buildings courses could not take place, but in other regards we were able to create, at short notice, a new and expanded online educational programme, including lectures, CPD sessions for professionals and a new 'Members' Skill Share' series. Our Philip Webb Award design competition and John Betjeman Award for church conservation continued and drew many notable entries. The Betjeman Award was extended to Scotland and the Republic of Ireland.

The Society's Mills Section ran an online National Mills Weekend. Although the new millwright training programme, linked to the Craft Fellowship, could not take place in 2020, it will begin in 2021.

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(ii) Casework Campaigning

From applications for listed building consent received from England and Wales during 2020, our casework Team made substantive comment on over 1000 (647 in 2019). This sometimes involved input from expert volunteers or our Casework Committee, as well as staff. Our aim is to supply advice that supports the building's conservation when a change is proposed. Extra emphasis was placed, during 2020, on the Society's 'buildings at risk' work.

(iii) Advisory Services

The Society's Technical Advice Line was in strong demand during 2020 and handled 765 enquiries (655 in 2019). We are indebted to Historic England for providing financial support for this service. Expert volunteers assisted staff with a wide range of technical topics including research into the production and use of chalk-lime.

Our technical staff also lectured to a range of audiences and contributed to external publications. Production of technical guidance continued in 2020, with three new or revised titles published.

iv) Grants for Building Maintenance

In 2020 the Society offered a grant from its Baber Fund to St James, Llangua, Wales. A further £1,000 was donated to the Sustainable Traditional Buildings Alliance to support its research and campaigning. Through its Mill Repair grant fund our Mills Section supported conservation work to Oldland Mill, Rickton Mill and Henslow Mill. It also donated £2,400 to the Mills Archive Trust.

GRANT MAKING POLICY

The SPAB will only offer grants where it is certain that the funding will further its charitable objectives and meet strategic priorities. All grants will be approved by trustees, or by those given delegated authority by the Board to act on its behalf.

SPAB grants will be restricted to the following:-

- Misses Newcombe Fund for almshouse repair
- Thomas Hardy Fund for the repair of churches (especially those in Dorset)
- The Mill Repair Fund for wind and water mills
- Baber Fund for emergency works to historic buildings
- Scholarship training bursaries
- Fellowship training bursaries
- Educational course and working party bursaries
- Any other suitable individual or organisation to whom a grant would further the SPAB charitable objectives and strategic priorities as approved by the Trustees.

All of the funds above have written terms and criteria.

Where a grant is made to an individual, or to an organisation that is not a charity, the Society will ensure that the funds will be used only for purposes that fulfil the Society's charitable objectives, either through its own courses or other works. This will be achieved through grant conditions that are accepted in writing by the recipient. Grants for repair work will be paid in retrospect and only after the Society is satisfied that funds have been used appropriately and for the purpose intended.

We are grateful to Men of the Stones. When this charity was wound up in 2020, £18 000 was donated to the SPAB for educational bursaries.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Society recorded an operating deficit for the year of £149,846 (2019: £83,138 deficit). This became a deficit of £48,562 (2019: £486,091 surplus) after investment gains were taken into account. Donations and legacies at £580,438 were lower than in the previous year, which had been exceptional (2019: £723,994) but in line with our budget prediction. We are hugely grateful to all those members and non-members who choose

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to remember the Society in their wills. Positive contributions came from our courses and events, advertising revenue and rental income. The Society continued to support a wide range of activities and expenditure on both raising funds and charitable activities, overall expenditure decreased to £1.49m (£1.62m 2019). The Society pursued its Old House Project which after five years of educational benefit will be sold, with the aim of recouping building and loan costs. Staff costs remained little changed at £0.89m (2019: £0.87m), but are a high proportion of total expenditure since advice and training are at the heart of the SPAB's work.

RESERVES POLICY

The Society held total funds of £5.41m at 31 December 2020 of which £2.35m are restricted and £0.65m endowed. The Society's remaining reserves of £2.41m are unrestricted of which free reserves (excluding designated funds and tangible fixed assets) are approximately £1.72m (£1.39m 2019). This exceeds the £0.9M which the Society's reserves policy, as described below, calculates as the current minimum level of free reserves to be maintained. This is also in excess of 3 months of budgeted expenditure of c. £0.4M excluding the Old House Project, that the Charity Commission suggests is best practice for minimum free reserves. The Society intends to hold unrestricted reserves at least equal to the sum of 1) Any expected cumulative operating deficit over the following three years, 2) The forecast expenditure on major projects, less funding towards those projects that in the judgement of the Finance and Audit sub-committee (FASC) is either secured (such as grants awarded) or reasonably predictable (such as donations towards a project; for the avoidance of doubt this would not include any income forecast from a sale of part or all of property or land associated with a project, which is subject to market conditions so is inherently uncertain). 3) Three months of budgeted operating expenditure excluding any major spending, within the three to six months range suggested as best practice for charities. Our reserves policy is kept under regular review.

INVESTMENT POLICY

The investment management of the Society's reserves is monitored by the Finance & Audit sub-committee, reporting to the Board, to ensure that the investment objectives and strategy for each portfolio match that fund's specific objectives. The portfolios are invested in a well-diversified set of individual shares as well as third-party and in-house pooled funds across a variety of different asset classes designed to provide us with a combination of above-average income as well as capital growth. The investment manager is Kleinwort Hambros.

Investment report

At 31 December 2020, the Society's investment funds total £4,236,424, compared to £4,400,150 at 31 December 2019, a decrease of 4% over the year. As at 7 July 2021, the value had increased to £4,434,274.

Investment performance for 2020 was as follows for the General Fund and the Enid Lamb Fund, which combined represent about two-thirds of The Society's investments:

Fund	Performance	Benchmark Index	Performance
SPAB General Fund	+3.7%	ARC PCI Balanced	+4.3%
SPAB Wind & Watermill Enid Lamb	+4.1%	ARC PCI Balanced	+4.3%

Source: Kleinwort Hambros / ARC

2020 was as extraordinary a year for investing as it was for pretty much everything else. It is hard to believe that a year which saw a global pandemic and the steepest decline in global economies seen in a century should result in positive performance from the Society's investments. However, the withdrawals from investments required to fund the Society's operations means that the value of reserves declined in the year, despite this investment performance.

At the worst point of market turmoil in mid-March 2020, the value of the Society's investments had fallen c.12% versus the beginning of 2020. The Society's holdings in bonds and gold rose in value as the pandemic crisis started, as interest rates were cut in response and money supply dramatically increased, creating fears of inflation. This offset about half of the impact of the significant declines seen across all equity markets- for context, the FTSE100 index to mid-March 2020 was down c. 30% versus December 2019. Following the

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rebound in markets in the second quarter of 2020, all asset classes then plateaued out, before resuming a downtrend into the 4th quarter of 2020 as fears over a resurgence of the virus grew.

The key event in the second half of 2020 was “Pfizer Monday”, 9th November, when the Pfizer/BioNTech joint venture announced their vaccine candidate was over 80% effective against the Coronavirus in clinical trials. This caused a rapid appreciation in equity markets- reinforced by AstraZeneca reporting similar efficacy data for their vaccine just days later- and a decline in everything else, as investors could now assume not an open-ended fight against the disease, but an end-point in the reasonably foreseeable future. This helped the Society’s investments perform well into the year end. For context against the performance figures reported above for the Society’s investments, the calendar year performance of the FTSE100 was -11.5%, the EuroSTOXX index -2.6%, the US S&P500 index +18% and the MSCI World index +16%.

The funds’ mix of equities and fixed income has changed slightly over the year. The assets started 2020 with a split of c. 60% equities, 20% fixed income, 20% other including gold, cash and alternative strategies (which attempt to generate capital growth irrespective of the direction of markets). However, with the rise in stock markets, the asset allocation is now c. 64% equities, 16% bonds, 20% other. This asset allocation should continue deliver the Society’s investment aims of both long-term capital growth and income generation as well.

However, the investment environment is even harder now than it was twelve months ago with many long-term changes to global economies fast-forwarded by the pandemic. In particular, it is difficult to identify anything resembling a low-risk asset any more. Dividend income, especially in the UK, has been cut sharply and in aggregate is not likely to recover to prior levels in the near term. The valuation of the US equity market is very high, driven by those companies benefiting from the mass digitisation the pandemic has enforced, valuation levels only exceeded on most measures during the late 1990’s dotcom bubble. Interest rates on bonds have increased from their extreme lows- 10 year UK government bonds yielded as little as 0.2% in May 2020- but this means the value of bonds is falling. Bottlenecks in supply of many items ranging from wood to microprocessors have emerged as the global economy has been jump-started, which when combined with governments printing money to fund economic recovery policies, is again stoking fears of inflation after a decade with very little inflation indeed. It is not inflation, but the possibility of sharply higher interest rates and the impact on consumers and economies that markets should be concerned about.

This environment underlines the importance of the strategic priorities of the Finance & Audit Sub-Committee to examine all ways in which fundraising efforts for the Society can be made more effective, to invest to grow and broaden the Society’s reach and fulfil its charitable aims, and to continue to diversify the income streams of the Society.

RISK

The Society’s Board of Trustees has a register of major potential risks for the charity and has placed particular emphasis on monitoring these risks in 2020-1, given the uncertainties of the external environment. The Board has also sought new and simplified means of monitoring risks regularly and has nominated a ‘Risk Trustee’. They are satisfied that controls are in place to manage/mitigate these risks. The main risks identified in 2020 and beyond are: a reduction in external grant funding, injury of staff/volunteers, failure of contractors, and cost overruns/delays to the Old House Project in Kent. Policies to address and mitigate risks have been regularly reviewed, with the addition in the last year of an anti-fraud policy.

The Society relies substantially on grants and legacy income for about half of its income. This has been identified as an ongoing risk and a strategic issue to be addressed through additional social media, marketing and fundraising efforts targeted at major individual and corporate donors. Other income streams such as online learning are also being expanded. In light of this risk, the Finance and Audit sub-committee and Board have set the goal of reaching operating cash flow breakeven by 2022. This is on track in 2021, though will be reviewed mid-year to ensure the Society is responding effectively to the social and economic effects of the pandemic.

The reserves policy (see p.5) is designed to ensure that the Society’s investments act as a buffer to short-term fluctuations in cash flow, and to ensure that the Society can fund its short-term operating deficit, keep a minimum 3 months of expenditure in reserve (as recommended by the Charity Commission), and also maintain a substantial contingency for the St Andrew’s Boxley project. The budget plan for 2021 aims at

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financial break-even at an operating level. A substantial grant from the Culture Recovery Fund in 2021 has helped offset loss of income from the pandemic and should make it possible, alongside strict budgeting, for the Society to avoid drawing on reserves in 2021.

Investments are regularly reviewed with the investment manager and their performance against relevant benchmarks assessed. The Society pursues a medium-risk investment strategy with its investments, aiming to minimise losses during market declines while generating income and ensuring the long-term appreciation of its assets. The performance of the investments during the recent market volatility has been good.

Major project risk

Our two major projects – the repair of the Society’s windmill at Kibworth Harcourt, Leicestershire and our Old House Project (OHP) at St Andrew’s Boxley in Kent - carry some risks to the Society as they are delivered. These are mitigated through both governance and reporting structures, and through the reserves policy as discussed above. The Board and Finance and Audit sub-committee receive regular reports about both projects. The OHP will have a newly constituted Project Board from mid 2021 which will advise closely on the activities until the project’s expected completion in 2024. Work programmes are on a timescale that allows some flexibility. The reserves policy also included the contingency to allow for repayment of a loan from the Architectural Heritage Fund being used to part-fund the project without relying on the sale of the property to do so. This loan has been established to be competitive against terms offered by another lender. It was discussed and agreed by trustees, and the Charity Commission has been contacted to confirm that the requirements of Section 124 of the Charities Act 2011 have been fulfilled. Proceeds from the sale of a parcel of land, owned by the Society, will be devoted primarily to the educational and promotional aspects of the Old House Project, which lie beyond the scope of the AHF loan. We are extremely grateful to the Pilgrim Trust for its generous grant to the OHP, and to SPAB members for their support through donations. Work at Kibworth Harcourt Mill is supported largely by a generous legacy from the late Enid Lamb.

Coronavirus risks

The SPAB’s Trustees have monitored additional operational risks faced by the Society during the pandemic and will continue to monitor them. Income has been reduced in some areas, but savings have been made in others. Reserves had to be called upon in 2020, but this has been somewhat balanced by a substantial covid-related Culture Recovery Fund grant in £260,000. There are sufficient funds in the unrestricted reserves to stay well within the reserves policy for 2021 and beyond. Cashflow planning is carried out to assure sufficient funds are available for over a year ahead.

Gloria e Marco Award

The Gloria e Marco (GeM) Fund, set up in memory of two young architects who died in the Grenfell Tower tragedy, has attract support and donations. The committee which manages the award has now been registered as an independent charity and the SPAB’s trustees have approved the transfer of all GeM donations to it during 2021. No Italian architect-scholar was able to receive the award and visit the UK in 2020 to experience this country’s conservation work, but it is hoped that an appointment will be possible in 2021.

FUTURE PLANS

The Society’s current strategy comes to an end in 2021. The existing strategy has been successful in many respects, achieving the growth, increased reach and the strengthening of identity that was intended. Work linked to the strategy has proved fruitful in many areas, including the establishment of SPAB Ireland, increase in social media activity, a new website and database, expansion of working parties, the Old House Project, and introduction of the SPAB Approach document as a summary of the Society’s ideas. In other areas, activities have been maintained through constant efforts: Scholarship and Fellowship programmes, courses, membership, regional and national groups, Mills Section, the SPAB Magazine, Technical Advice Line, technical publications, casework, etc. During 2021, the Society’s Trustees, Guardians and staff will develop a new strategy for the coming period. In view of the economic and social uncertainties likely to follow the pandemic, this new strategy is expected to cover a shorter three year period, with the immediate objective being to sustain the Society before further growth.

In addition to much well-established work, the Society will maintain many new on-line activities during 2021. On site, we will run our main working party at Boxley in Kent, with connected activities at the neighbouring Old House Project, but the main focus of 2021’s on-site work will be at our windmill at Kibworth Harcourt.

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SPAB Scotland intend to run a working party with related activities at Moffat in the Scottish Borders. SPAB Ireland is developing a range of activities with support from the Heritage Council in the Republic. A working party is planned for St Mary's Church at Caerau near Cardiff, with the intention that this should raise the SPAB's profile in Wales.

POST BALANCE SHEET EVENTS NOTE

In April 2021 SPAB sold Yoxford Paddock for proceeds of £250,000. At 31 December 2020 Yoxford Paddock is being held as a fixed asset with a £Nil residual value. This is considered to be a non-adjusting post balance sheet event as no adjustments are required to the 2020 accounts.

In June 2021 SPAB transferred £83,522 to the Gloria e Marco Award. At 31 December 2020 £83,713 is being held in relation to the Gloria e Marco Award as a restricted fund. This is considered to be a non-adjusting post balance sheet event as no adjustments are required to the 2020 accounts.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees, (who are also the directors of The Society for the Protection of Ancient Buildings for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the Accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). Company law requires the Trustees to prepare accounts for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and resources expended, including the income and expenditure of the charitable company for that period. In preparing these accounts, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Trustees of the charitable company at the date of approval of this report is aware, there is no relevant audit information (information needed by the charitable company's auditor in connection with preparing the audit report) of which the charitable company's auditor is unaware. Each Trustee has taken all the steps that he/she should have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Report and accounts have been independently audited in accordance with the provisions applicable to The Companies Act 2006.

Approved by the Board on 14 September 2021

and signed on its behalf by:

Name: Nichola Tasker, Chair

Name: Christopher Wheaton, Honorary Treasurer

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INDEPENDENT AUDITOR'S REPORT
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Opinion

We have audited the financial statements of the Society for the Protection of Ancient Buildings for the year ended 31 December 2020 which comprise the Statement of Financial Activities (including an income and expenditure account), Balance Sheet, Cash flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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INDEPENDENT AUDITOR'S REPORT
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Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and the Charities Act 2011 and the Charities and Trustees Investment (Scotland) Act 2005, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020



fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and employment and health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Poulter
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

14th September 2021

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2020



	Notes	Unrestricted Funds	Restricted Funds	Endowed Funds	2020 Total Funds	2019 Total Funds
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	558,208	22,230	-	580,438	723,994
Charitable activities	3	383,464	167,726	-	551,190	588,554
Other trading activities	4	111,584	2,849	-	114,433	118,455
Investment Income	5	33,345	38,583	-	71,928	93,950
Other		23,499	-	-	23,499	11,909
Total		1,110,100	231,388	-	1,341,488	1,536,862
Expenditure on:						
Raising funds		254,226	46,960	-	301,186	283,646
Charitable activities		757,233	432,915	-	1,190,148	1,336,354
Total	6	1,011,459	479,874	-	1,491,334	1,620,000
Operating surplus / (deficit)		98,641	(248,486)	-	(149,846)	(83,138)
Net gains on investments		33,200	53,318	14,766	101,284	569,229
Net income		131,841	(195,168)	14,766	(48,562)	486,091
Transfer between funds	14	(185,261)	185,261	-	-	-
Net movement in funds		(53,420)	(9,907)	14,766	(48,562)	486,091
Reconciliation of funds:						
Total funds brought forward		2,468,844	2,358,853	630,188	5,457,885	4,971,794
Total funds carried forward		2,415,424	2,348,946	644,954	5,409,323	5,457,885

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
BALANCE SHEET
AS AT 31 DECEMBER 2020



Company Number 05743962

	Notes	2020 £	£	2019 £
FIXED ASSETS				
Tangible assets	9	270,255		282,035
Intangible assets	10	76,375		131,457
Investments	11	4,359,697		4,534,590
		<u>4,706,327</u>		<u>4,948,082</u>
CURRENT ASSETS				
Stock		-		7,337
Debtors	12	314,650		194,132
Cash at bank and in hand		623,359		465,133
		<u>938,009</u>		<u>666,602</u>
CURRENT LIABILITIES				
Creditors: amounts falling due within one year	13	114,964		133,412
NET CURRENT ASSETS				
		<u>823,043</u>		<u>533,803</u>
Creditors: amounts falling due > than one year	13	120,049		23,387
NET ASSETS				
		<u>5,409,323</u>		<u>5,457,885</u>
THE FUNDS OF THE CHARITY				
	14			
Unrestricted - General		2,077,459		2,119,100
- Designated		337,965		349,744
		<u>2,415,424</u>		<u>2,468,844</u>
Restricted - The Mills Section		1,153,423		1,194,822
- The William Morris Craft Fellowship		188,385		189,655
- Other		1,007,137		974,376
	14A	<u>2,348,945</u>		<u>2,358,853</u>
Endowed funds	14B	644,954		630,188
		<u>5,409,323</u>		<u>5,457,885</u>

The financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

Approved by the trustees and authorised for issue on:

and signed on its behalf by

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
CASH FLOW STATEMENT
AS AT 31 DECEMBER 2020



	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash used in operating activities	a)	(282,306)	(124,455)
Cash flows from investing activities:			
Dividends and interest from investments		71,928	93,950
Proceeds from sale of tangible and intangible fixed assets		-	-
Purchase of tangible and intangible fixed assets		(7,574)	(10,811)
Proceeds from sale of investments		1,240,323	1,875,354
Purchase of investments		(975,314)	(1,838,799)
Net cash provided by investing activities		329,364	119,694
Cash flows from financing activities			
Net cash provided by financing activities		100,000	-
Change in cash and cash equivalents in the reporting period		147,058	(4,761)
Cash and cash equivalents at 1 January 2020	b)	599,573	604,334
at 31 December 2020	b)	746,631	599,573

NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net income for the reporting period	(48,562)	486,091
Adjustments for:		
Add back long-term loan amount	(100,000)	-
Depreciation and amortisation	74,435	76,714
(Gains) on investments	(101,284)	(569,229)
Dividends and interest from investments	(71,928)	(93,950)
Decrease in stock	7,337	-
(Increase) / decrease in debtors	(120,518)	42,113
Increase / (decrease) in creditors	78,214	(66,194)
Net cash provided by (used in) operating activities	(282,306)	(124,455)

b) Analysis of cash and cash equivalents

Cash at bank and in hand	623,359	465,133
Cash held as long-term investments	123,272	134,440
	746,631	599,573

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



CHARITY INFORMATION

The Society is a company limited by guarantee (registered number 05743962), which is incorporated and domiciled in the UK and is a public benefit entity. The address of the registered office is 37 Spital Square, London E1 6DY.

1. ACCOUNTING POLICIES

The principal accounting policies adopted and critical areas of judgements are as follows:

a) Basis of Accounting

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. The Society for the Protection of Ancient Buildings meets the definition of a public benefit entity under FRS 102. These accounts include the corporate funds of the company and also the Trust funds retained in the precursor charity number 231307 under a uniting direction dated 7 December 2006.

Going concern

After making enquires, the trustees have a reasonable expectation that the charitable company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts. The trustees do not consider there to be any material uncertainties about the charity's ability to continue as a going concern.

b) Functional/presentational currency

The functional currency of The Society for the Protection of Ancient Buildings is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity operates.

c) Income

Contributions, donations and subscriptions are accounted for on a cash receipts basis. Life memberships received are amortised to the Statement of Financial Activities over a period of 20 years being the period estimated to represent average life membership. Income from trading activities is recognised in the period in which the service has been provided or product sold. Income from government and other grants, is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Investment income from dividends and interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest received or receivable from the bank.

Legacy income is included in the financial statements when the Charity is satisfied that the conditions of entitlement, probability and measurement have been met. Pecuniary legacies are accounted for when notified. Residuary legacies are accounted for when notification of impending distribution or estate accounts have been received. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



2. ACCOUNTING POLICIES (CONTINUED)

d) Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT.

Raising funds comprise those costs directly attributable to managing the investment portfolio and fund-raising costs which are those incurred in seeking voluntary contributions for the Charity.

Charitable activities comprise direct expenditure including staff costs attributable to each activity. Support costs are apportioned to charitable activities on the basis of staffing of that relevant activity. Governance costs are those incurred in connection with compliance with constitutional and statutory requirements.

e) Depreciation and amortisation

Tangible fixed assets with a cost of over £500 are capitalised. Depreciation is provided on all tangible fixed assets other than antique furniture at rates calculated to write off the cost less estimated residual value of each asset over its estimated useful life with depreciation being charged in full for the year of acquisition and none in the year of sale. The depreciation rates in use during the year are noted as follows:

Freehold buildings	- over 50 years (2% per annum)
Office equipment	- over 5 years (20% per annum)
Computer equipment	- over 5 years (20% per annum)

Depreciation is not provided on ancient buildings owned by the Charity as in the view of the Trustees, any charge and accumulated balance in respect of depreciation would be immaterial. Further due to the nature of the ancient buildings their age is an intrinsic element of their value to the objects of the Charity, which will not be eroded in the passing of time.

Intangible assets are capitalised at cost and amortised to write off the cost over the estimated useful life.

Intellectual property rights	- over 3 years (33.33% per annum)
Website costs	- over 5 years (20% per annum)

Website and database development costs have been capitalised within intangible assets as they can be identified with a specific project anticipated to produce future benefits. Once brought into use they will be amortised on the straight line basis over the anticipated life of the benefits arising from the completed project.

f) Investments

Investments are revalued to market value as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year.

g) Stock

Stock is valued at the lower of cost and less costs to complete and sell. Cost is determined on a first in, first out basis.

h) Restricted Funds

These are monies, which have legal restrictions on their use where donors have specified the funds can only be spent on certain of the charity's activities.

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



1. ACCOUNTING POLICIES (CONTINUED)

i) Endowed Funds

These are funds where the trustees are required to hold capital, as represented by the investments, and are not entitled to spend it. Income arising from these funds is either restricted income or unrestricted income depending upon the details included with the original gift.

j) Pension Costs

The Charity contributes to The Pensions Trust Schemes and also to an individual personal pension scheme. Contributions to all schemes are charged to the Statement of Financial Activities ('SOFA') as they become payable in accordance with the rules of the schemes.

k) Financial Instruments

The Charity has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, short term cash deposits together with trade and other debtors excluding prepayments. Financial liabilities held at amortised cost comprise the short and long term trade and other creditors excluding deferred income and taxation payable. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

	2020	2019
	£	£
Financial assets held at fair value (a)	4,236,425	4,400,150

(a) Comprising all fixed asset investments as detailed in Note 11.

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Investments, including bonds and cash held as part of the investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



2. DONATIONS AND LEGACIES	2020	2019
	£	£
Donations	117,612	194,795
Trusts and legacies	462,826	529,199
	<u>580,438</u>	<u>723,994</u>

As stated in the accounting policies (note 1), the Society recognises income from legacies when there is probability and reliability of receipt and their value can be accurately measured.

3. CHARITABLE ACTIVITIES	2020	2019
	£	£
Grants Receivable		
Historic England	94,818	86,774
Carpenter's Trust	5,000	10,000
Historic Environment Scotland	-	10,000
WMCF Trust	10,000	10,000
Dance Scholarship Trust	-	9,476
Building Preservation and Restoration Trust	-	7,500
CADW	7,283	7,140
Delves Charitable Trust	6,000	6,000
Drake Trust	7,500	6,000
The Stuart Heath Charitable Settlement	5,000	5,000
National Heritage – Covid Emergency Funding	45,400	-
The Pilgrim Trust	10,000	-
Radcliffe Foundation	6,666	-
Roger & Sarah Bancroft Charitable Trust	4,000	-
Wheler Foundation	1,500	-
Other	150	13,412
	<u>203,317</u>	<u>171,302</u>
Total Grants Receivable		
	203,317	171,302
Subscriptions	277,593	266,851
Literature Sales	4,857	4,085
General Events	65,423	146,316
	<u>551,190</u>	<u>588,554</u>

4. OTHER TRADING ACTIVITIES	2020	2019
	£	£
Advertising	88,020	94,494
Rent receivable	26,413	23,961
	<u>114,433</u>	<u>118,455</u>

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



5. INVESTMENT INCOME		2020	2019
		£	£
Portfolio Income		70,960	92,400
Interest on cash deposits		968	1,550
		71,928	93,950
6. EXPENDITURE		2020	2019
	Unrestricted	Restricted	Total
	Fund	Funds	Total
	£	£	£
Charitable Activities			<i>2019</i>
<i>Building Maintenance</i>			<i>Total</i>
Grants and donations	4,571	7,921	55,693
	4,571	7,921	55,693
<i>Educational costs</i>			
Scholarships and fellowships	-	6,775	62,086
General events	69	-	1,208
Courses, meetings, lectures and events	19,642	1,654	73,711
Wages and salaries	199,527	106,293	302,714
Newsletter	57,299	11,288	81,682
Annual Report costs	-	-	5,976
Literature	2,162	-	9,240
Travel	4,548	-	10,317
Other	3,834	-	6,172
Building Project	23,272	1,722	9,830
Support costs (note 7)	190,798	85,753	271,097
	501,151	213,485	714,636
834,034			
<i>Advisory services</i>			
Technical and Casework direct costs	13,718	5,439	17,599
Wages and salaries	92,209	140,695	224,069
Travel	278	68	4,293
Support costs (note 7)	145,306	65,307	200,666
	251,511	211,509	446,627
1,336,354			
Total Charitable Activities	757,233	432,915	1,190,148
Raising Funds			
Fundraising costs	24,564	4,133	9,994
Wages and salaries	117,225	-	117,313
Support costs (note 7)	73,136	32,870	105,060
Advertising Commission	31,820	-	36,293
Investment managers fees	7,481	9,957	14,986
	254,226	46,960	301,186
283,646			
TOTAL EXPENDITURE	1,011,459	479,875	1,491,334
1,620,000			

The value of volunteer time is not included in the costs disclosed above. Volunteers contribute to and support the Society in a number of areas such as working parties, casework, education and training, technical advice, archives and administration.

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



7. SUPPORT COSTS

	Unrestricted Funds £	Restricted Funds £	2020 Total £	<i>2019 Total £</i>
Travel and volunteers' expenditure	2,975	1,722	4,697	17,625
Wages and salaries	171,788	62,590	234,378	229,615
Printing, stationery, postage and advertising	6,111	5,249	11,360	20,785
Establishment expenses	75,925	41,249	117,174	103,968
Legal and professional	64,947	39,148	104,095	84,115
Depreciation	53,835	20,616	74,451	77,943
Bank charges and interest	9,039	3,843	12,882	9,003
Other	12,093	4,707	16,800	12,854
Governance costs:				
<i>Audit</i>	12,359	4,741	17,100	16,250
<i>Trustee meetings</i>	168	65	233	4,665
	409,240	183,930	593,170	576,823

These costs are allocated over charitable activities and raising funds on the basis of the number of staff employed in each of these areas. Included in support costs is remuneration for the Society auditor for non-audit services totalling £Nil (2019: £Nil).

8. TRUSTEES AND EMPLOYEES

	2020 £	<i>2019 £</i>
Staff costs:		
Wages and salaries	781,110	770,462
Social security costs	72,047	68,733
Pension costs	37,170	34,516
	890,327	873,711

The Trustees did not receive any remuneration during the year. Expenses relating to travel of £1,069 (2019: £1,646) were paid on behalf of four (2019: five) Trustees during the year.

The key management personnel of the charity comprise the trustees, the Chief Executive, Technical and Research Director, Education and Training Manager, Development and Marketing Manager and Business Manager. The total employee benefits of the key management personnel of the charity were £299,309 (2019: £291,801).

The average number of employees during the year, analysed by function was:

	<i>Headcount</i>		<i>Full time equivalent</i>	
	2020 No.	<i>2019 No.</i>	2020 No.	<i>2019 No.</i>
Fundraising	2	2	1.5	1.5
Educational	12	12	7.5	7.8
Advisory services	8	8	5.3	5.1
Support	9	9	6.5	7.2
	31	31	20.8	21.6

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



9. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Antique Furniture	Office Equipment	Computer Equipment	Total
	£	£	£	£	£
Cost					
As at 1 January 2020	392,504	11,129	156,978	99,950	660,561
Additions	-	-	-	7,574	7,574
Disposals	-	-	(136,300)	(34,882)	(171,182)
As at 31 December 2020	<u>392,504</u>	<u>11,129</u>	<u>20,678</u>	<u>72,642</u>	<u>496,953</u>
Depreciation					
As at 1 January 2020	163,870	-	151,978	62,679	378,527
Charge for the year	4,429	-	1,995	12,929	19,353
Disposals	-	-	(136,300)	(34,882)	(171,182)
As at 31 December 2020	<u>168,299</u>	<u>-</u>	<u>17,673</u>	<u>40,726</u>	<u>226,698</u>
Net book value					
31 December 2020	<u>224,205</u>	<u>11,129</u>	<u>3,005</u>	<u>31,916</u>	<u>270,255</u>
<i>31 December 2019</i>	<u>228,634</u>	<u>11,129</u>	<u>5,000</u>	<u>37,271</u>	<u>282,034</u>

Included within freehold property is building and land at 37 Spital Square, which was purchased in 1983. The buildings were purchased at a cost of £221,453 and are depreciated at 2% per annum. Land at a cost of £110,727 is not depreciated.

In 2018 land at St Andrew's Boxley was purchased for £60,000. This is included within Freehold Land & Buildings. It's deemed to be land given the state of the property, and therefore not subject to depreciation. The property will be held as an operational property to be used for teaching purposes.

10. INTANGIBLE ASSETS

	Website & Database Development	Total
	£	£
Cost		
As at 1 January 2020	275,407	275,407
Additions	-	-
Disposals	-	-
As at 31 December 2020	<u>275,407</u>	<u>275,407</u>
Amortisation		
As at 1 January 2020	143,951	143,951
Disposals	-	-
Charge for year	55,081	55,081
As at 31 December 2020	<u>199,032</u>	<u>199,032</u>
Net Book Value – 31 December 2020	<u>76,375</u>	<u>76,375</u>
<i>– 31 December 2019</i>	<u>131,456</u>	<u>131,456</u>

THE SOCIETY FOR THE PROTECTION OF ANCIENT BUILDINGS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



11. FIXED ASSET INVESTMENTS	2020	2019
	£	£
Market value of quoted investments	4,236,425	4,400,150
Cash	<u>123,272</u>	<u>134,440</u>
	<u>4,359,697</u>	<u>4,534,590</u>
Listed investments		
Market value at start of year	4,400,150	3,867,476
Additions	975,314	1,838,799
Disposals	(1,240,323)	(1,875,354)
Net gains on investments	<u>101,284</u>	<u>569,229</u>
Market value at end of year	<u>4,236,425</u>	<u>4,400,150</u>
Listed investments are managed by third party investment managers on behalf of the Charity and are invested in a mixture of UK and overseas equities, bonds, property funds and fixed interest securities.		
12. DEBTORS	2020	2019
	£	£
Trade debtors	31,959	8,566
Prepayments and accrued income	<u>282,691</u>	<u>185,566</u>
	<u>314,650</u>	<u>194,132</u>
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Trade creditors	29,619	62,183
Other creditors	3,626	2,277
Taxation and social security	17,497	8,529
Accruals and deferred income	<u>64,222</u>	<u>60,423</u>
	<u>114,964</u>	<u>133,412</u>
CREDITORS: AMOUNTS FALLING DUE > 1YEAR	2020	2019
	£	£
Bank loans and overdrafts	100,133	-
Deferred Income	19,916	23,387
Total Creditors	<u>235,013</u>	<u>156,799</u>

The loan for £100,133 is part of a £500,000 loan facility provided by the Architectural Heritage Fund. £100,000 of this loan facility has been drawn down at 31/12/20. The loan is available for a period of 60 months from the first date upon which the loan is drawn down. No capital and interest repayments are due for a period of 36 months after the date of the initial drawdown. After this initial period only interest payments are required to be paid up to month 60, upon which full capital repayment must be made.

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13. CREDITORS (Continued)

Deferred income of £48,743 (2019: £45,899) is included above. All deferred income is released in the subsequent accounting period with the exception of life membership subscriptions. Life membership subscriptions at 1 January 2020 were £27,056 (2019: £31,048) of which £3,570 was released in 2020 (2019: £3,991). Life membership subscriptions received in the current period amounted to £nil.

14. MOVEMENT IN FUNDS

	<i>Balance 1 January 2020 £</i>	Income £	Expenditure £	Transfers £	Net Investment Gains £	Balance 31 December 2020 £
Restricted Funds:						
The Mills Section	1,194,822	51,654	(130,825)	-	37,772	1,153,423
R&M of ancient buildings	401,993	8,330	(4,166)	-	7,990	414,147
Scholarship for architects	286,858	31,736	(37,157)	-	7,556	288,993
The William Morris Craft Fellowship	189,655	42,903	(44,173)	-	-	188,385
Historic England	-	77,949	(263,210)	185,261	-	-
Gloria e Marco Award	83,463	250	-	-	-	83,713
D&P Marsh Trust	100,000	-	-	-	-	100,000
Restricted (Other)	102,062	18,566	(344)	-	-	120,284
Total Restricted Funds	2,358,853	231,388	(479,875)	185,261	53,318	2,348,945
Endowed Funds	630,188	-	-	-	14,766	644,954
Designated Funds:						
Fixed Asset Reserve	282,033	-	(19,353)	7,574	-	270,254
IT Fund	46,270	-	-	-	-	46,270
Kibworth Harcourt Repair	7,000	-	-	-	-	7,000
Spital Square Repair	14,441	-	-	-	-	14,441
	349,744	-	(19,353)	7,574	-	337,965
General Fund	2,119,100	1,110,100	(992,106)	(192,835)	33,200	2,077,459
Total Unrestricted Funds	2,468,844	1,110,100	(1,011,459)	(185,261)	33,200	2,415,424
Total Funds	5,457,885	1,341,488	(1,491,334)	-	101,284	5,409,323

Restricted Funds:

The Mills Section

The fund supports the work of the Society's separate Mills Section.

Included under the headings Repair and maintenance of ancient building and Scholarships for architects are the following funds:

Grant making

The Hardy Memorial Fund
 The Queen Elizabeth Statue Fund
 The Baber Fund
 The Cook, Taylor & Lilibourne Fund
 The Misses Newcombe Bequest
 The Miss Truman Bequest
 Kibworth Harcourt Mill

Scholarships for Architects

The Banister Fletcher Fund
 The Ernest Cook Scholarship
 The Patrick Plunket Fund
 The Jonathan Vickers Scholarship Fund

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14. MOVEMENT IN FUNDS (continued)

Restricted Funds (continued):

The William Morris Craft Fellowship

Funds to cover the cost of the SPAB's training scheme for building craftsmen.

Historic England includes:

Technical Advice Line: Funding received towards the costs of the Society's free technical advice helpline.

Casework: Funding received towards the costs of the Society's statutory casework activities.

Gloria e Marco Award

This is a new fund for the benefit of young Italian graduates set up in honour of two young Italian architects, who died tragically in the Grenfell Tower fire. The purpose of the fund is to provide assistance to talented young Italian graduates, to help develop their interest in building conservation.

Endowed Funds:

There are six endowment funds. Banister Fletcher, Ernest Cook and Jonathan Vickers support Scholarships for Architects. Thomas Hardy supports repairs to Hardy's Cottage, the writer's birthplace. Bertha Fletcher and RR Cory support the work of the Society.

Designated Funds:

Fixed Asset Reserve

The Fixed Asset Reserve represents the net book value of the unrestricted element of the tangible fixed assets.

IT Fund

To fund a new website and database development. This fund will be expended over the next one to two years.

Kibworth Harcourt Repair Fund

This fund will be used for the ongoing maintenance of Kibworth Harcourt Mill and will likely be spent over the next 5 years. Major repairs to Kibworth Harcourt Mill will be funded by the Mills Section Enid Lamb Legacy.

Spital Square Repair Fund

This fund has been set aside to support future major repair works.

Transfers between funds

A transfer of £179,758 was made from the restricted to the unrestricted fund during the year. The transfer was made to reimburse the general fund for the restricted funds proportion of general running costs incurred by the general fund on its behalf.

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15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Intangible Fixed Assets £	Net Investments £	Net Current Assets £	Total 2020 £
Restricted					
The Mills Section	-	-	1,153,423	-	1,153,423
R&M of ancient buildings	-	-	321,560	92,587	414,147
Scholarship for architects	-	-	297,658	(8,665)	288,993
The William Morris Craft Fellowship	-	-	-	188,385	188,385
Gloria e Marco Award	-	-	-	83,713	83,713
D&P Marsh Trust	-	-	-	100,000	100,000
Restricted (Other)	-	-	-	120,284	120,284
Endowed Funds	-	-	630,709	14,245	644,954
Unrestricted Funds	270,254	76,375	1,956,348	112,447	2,415,424
Total	270,254	76,375	4,359,698	702,996	5,409,323

16. PENSION

The Society participates in The Pensions Trust's Growth Plan ("the Plan") for 25 staff (2019: 22). This is a multi-employer funded defined benefit pension plan and is not contracted out of the State scheme. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan's Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns. If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The Society has been advised that a debt may be payable on withdrawal from the Pensions Trust Growth Plan as an employer and this was actuarially calculated to be £28,291 on 30 September 2018. Withdrawal may be deemed when an employer has no active members remaining in the Plan and no eligible employees to whom to offer membership. Constitutional re-organisation may also be a 'cessation event'. The Society has no plans to leave the scheme and this contingent liability has not been provided for in the accounts. The results of the 30 September 2017 triennial valuation have confirmed the requirement for additional contributions to the Pensions Trust Growth Plan from 1 April 2021 of £1,111 per annum.

Staff may be members of the Pensions Trust Growth Plan, a money purchase scheme, and the Society makes contributions into this scheme, as well as into the personal pension plan of one member of staff. The pension charge for the year includes contributions payable to The Pensions Trust of £33,117. At the year-end £4,692 (2019: £5,626) was accrued in respect of future deficit contributions to the scheme.

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17. OPERATING LEASES

The future minimum lease rental income due from tenants under non-cancellable operating leases for each of the following periods:

Land and buildings	2020 £	2019 £
Within one year	26,000	16,667
Between one and five years	21,667	-

18. RELATED PARTY TRANSACTIONS

Donations totalling £125 (2019: £Nil) were received from Trustees during the year.

19. CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts in respect of the website and database development amounted to £nil (2019: £Nil)

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds	Restricted Funds	Endowed Funds	2019 Total Funds
		£	£	£	£
Income and Endowments from:					
Donations and legacies	2	579,839	144,155	-	723,994
Charitable activities	3	432,340	156,214	-	588,554
Other trading activities	4	116,172	2,283	-	118,455
Investment Income	5	45,820	48,130	-	93,950
Other		11,903	6	-	11,909
Total		1,186,074	350,788	-	1,536,862
Expenditure on:					
Raising funds		227,678	55,968	-	283,646
Charitable activities		783,805	552,549	-	1,336,354
Total	6	1,011,483	608,517	-	1,620,000
Operating surplus / (deficit)		174,591	(257,729)	-	(83,138)
Net gains/(losses) on investments		241,812	251,824	75,593	569,229
Net income/(expenditure)		416,403	(5,905)	75,593	486,091
Transfer between funds	9	(184,103)	184,103	-	-
Net movement in funds		232,300	178,198	75,593	486,091
Reconciliation of funds:					
Total funds brought forward		2,236,544	2,180,655	554,595	4,971,794
Total funds carried forward		2,468,844	2,358,853	630,188	5,457,885

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21. COMPARATIVE FUNDS

MOVEMENT IN FUNDS	<i>Balance 1 January 2019 £</i>	Income £	Expenditure £	Transfers £	Net Investment Gains £	Balance 31 December 2019 £
Restricted Funds:						
The Mills Section	1,120,401	56,195	(165,013)	-	183,239	1,194,822
<i>R&M of ancient buildings</i>	368,622	10,956	(9,557)	-	31,972	401,993
Scholarship for architects	308,301	10,244	(68,300)	-	36,613	286,858
The William Morris Craft Fellowship	184,764	78,723	(73,832)	-	-	189,655
Historic England	-	78,914	(263,017)	184,103	-	-
D&P Marsh Charitable Trust	-	100,000	-	-	-	100,000
Gloria e Marco Award	79,087	15,756	(11,380)	-	-	83,463
Restricted (Other)	119,480	-	(17,418)	-	-	102,062
Total Restricted Funds	2,180,655	350,788	(608,517)	184,103	251,824	2,358,853
Endowed Funds	554,595	-	-	-	75,593	630,188
Designated Funds:						
Fixed Asset Reserve	298,918	-	(21,634)	4,749	-	282,033
IT Fund	46,270	-	-	-	-	46,270
Kibworth Harcourt Repair	7,000	-	-	-	-	7,000
Spital Square Repair	14,441	-	-	-	-	14,441
	366,629	-	(21,634)	4,749	-	349,744
General Fund	1,869,915	1,186,074	(989,849)	(188,852)	241,812	2,119,100
Total Unrestricted Funds	2,236,544	1,186,074	(1,011,483)	(184,103)	241,812	2,468,844
Total Funds	4,971,794	1,536,862	(1,620,000)	-	569,229	5,457,885

22. COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets £	Intangible Fixed Assets £	Net Investments £	Net Current Assets £	Total 2019 £
Restricted					
The Mills Section	-	-	1,194,822	-	1,194,822
R&M of ancient buildings	-	-	315,966	86,027	401,993
Scholarship for architects	-	-	291,312	-4,454	286,858
The William Morris Craft Fellowship	-	-	-	189,655	189,655
Gloria e Marco Award	-	-	-	83,463	83,463
D&P Marsh Charitable Trust	-	-	-	100,000	100,000
Restricted (Other)	-	-	-	102,062	102,062
Endowed Funds	-	-	608,730	21,458	630,188
Unrestricted Funds	282,033	131,457	2,123,760	-68,406	2,468,844
Total	282,033	131,457	4,534,590	509,805	5,457,885