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COMPANIES HOUSE

**THE BRITISH MUSEUM  
COMPANY LIMITED**

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**For the Year ended  
31 March 2019**

**Company no 01079888**

**THE BRITISH MUSEUM COMPANY LIMITED**  
**INDEX**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

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**THE BRITISH MUSEUM COMPANY LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

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Company registration number: 01079888  
An exempt charity

Registered and principal office: The British Museum  
Great Russell Street  
London  
WC1B 3DG

Directors: Christopher Yates (Chair)  
Roderick Buchanan  
Joanna Mackle  
Jane Whittaker  
Jonathan Williams

Secretary: Ian Anthony Doubleday

Bankers: Barclays Bank plc  
1 Churchill Place  
London  
E14 5HP

Auditor: Grant Thornton UK LLP  
Registered Auditor  
Chartered Accountants  
30 Finsbury Square  
London  
EC2A 1AG

**THE BRITISH MUSEUM COMPANY LIMITED**  
**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

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The Directors present their report together with the audited consolidated financial statements of the Company with its subsidiary British Museum Ventures Limited ("the Group") for the year ended 31 March 2019.

**Structure, governance and management**

The British Museum Company Limited is an exempt charity under schedule 3 of the Charities Act 2011. The Secretary of State for Digital, Culture, Media and Sport is the principal regulator of the charity under the Charities Act 2011. The British Museum owns 100% of the share capital of The British Museum Company Limited.

British Museum Ventures Limited is a registered company in England and Wales and undertakes trading in support of the charitable objects of the British Museum. The British Museum Company Limited owns 100% of the share capital of British Museum Ventures Limited.

The governing body of The British Museum Company Limited is the Board of Directors, comprising not fewer than four and not more than fifteen members. The Board usually meets four times a year to agree the broad strategy and areas of activity of the Group. The names of the Directors that served during the year and up to the date of signing are listed on page 4.

The induction and training of new Directors is primarily through meetings with the senior management team. Induction programmes and training are further tailored to the individual needs and interests of the Director.

The key management personnel of the Group are those of the British Museum. The arrangements for setting their pay and remuneration is disclosed in the financial statements of the British Museum, available to view at: [http://www.britishmuseum.org/about\\_us/management/annual\\_reports\\_and\\_accounts.aspx](http://www.britishmuseum.org/about_us/management/annual_reports_and_accounts.aspx)

**Objectives and activities**

The charitable objects of The British Museum Company Limited are the advancement of education and the charitable objects of the British Museum. The Group undertakes various activities in direct support of its charitable objects such as the sale of books, guides and exhibition catalogues, sculptures, replicas and games closely related to the collection of the British Museum and / or its temporary exhibitions. Alongside these, the Group sells other souvenirs and merchandise, many of which depict or are directly inspired by items within the Museum's collection or exhibitions, or its building. Various, these activities are intended to enhance visitors' experience when they visit the Museum, to provide further learning in the form of reference material and other learning aids, and to provide a memento of the visit that reinforces visitors' connection with the Museum's collection and stimulates further interest and study. Additionally, these income generating activities allow the Group to make contributions to the British Museum in furtherance of its charitable objects. Goods are sold predominately through the retail outlets on the British Museum's Bloomsbury site, but the wholesale trade and e-commerce channels, together with licensing, enable the business to reach other geographical markets. The Group is also responsible for the management of the British Museum Images business and the on-site hospitality contract. Furthermore, the Group supports the British Museum through the hire of audioguides and collection of donations on its behalf, and The British Museum Friends Limited through the sale of memberships.

**Public Benefit**

In setting the objectives for The British Museum Company Limited, the Directors have complied with the duty under section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. The Directors consider that the activities outlined in this report demonstrate public benefit.

**THE BRITISH MUSEUM COMPANY LIMITED**  
**DIRECTORS' REPORT**

FOR THE YEAR ENDED 31 MARCH 2019

Registered company number: 01079888

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**Strategic report**

***Achievements and performance***

The retail outlets within the British Museum enjoyed a very successful year. While the previous year's notably high demand for exhibition-associated products, driven by the success of the Museum's *Hokusai: beyond the Great Wave* exhibition, was not repeated, the outlets were able to capitalise on the 3% growth in visitor numbers to the Museum, and so increase engagement with the wider collection. In addition, the licensing business achieved significant growth in the year. These successes have enabled the Group to make a substantial contribution to the British Museum, as detailed below.

***Financial review***

Total income of £16.4m (2017/18: £16.4m) was generated in the year, in line with the previous year. Total expenditure for the year, before the contribution of £4.0m to the British Museum (2017/18: £3.0m), was £10.8m (2017/18: £11.0m), a reduction of 2% on the previous year.

The Group's success over this and the previous year enabled it to make a contribution in the year of £4.0m (2017/18: £3.0m) to the British Museum.

***Reserves policy***

The reserves policy is to retain between one and three months of operating expenditure to provide financial stability and act as a safeguard against unforeseen expenditure and lower than expected income. This represents £0.9m - £2.7m based on current year expenditure. At 31 March 2019 the Company had unrestricted funds (excluding share capital) of £7.0m, as additional funds were held as a buffer to mitigate the risk of any deterioration in the defined benefit pension scheme liability during the year. This risk did not fully materialise, and therefore a contribution to the British Museum is expected to be made in 2019/20, to reduce the level of funds held in line with the reserves policy.

***Plans for future periods***

The Group intends to continue to undertake the activities detailed above within 'Objectives and activities' in future periods. As ever, the Group's retail offering will include ranges to complement the British Museum's major exhibitions. The programme for 2019/20 includes *Edvard Munch: love and angst*, which focuses on Munch's remarkable and experimental prints – an art form which made his name and at which he excelled throughout his life – and examines his unparalleled ability to depict raw human emotion; *Manga*, which brings together graphic visual story-telling from Japan in the largest collection of manga ever to be displayed outside the country; and a show telling Troy's legendary stories, with a diverse range of objects including archaeological discoveries.

***Principal risks and uncertainties***

The Directors are of the opinion that a thorough risk management process is in place on a British Museum group basis whereby key risks facing the business are reviewed regularly. The Directors monitor the progress of the overall Group strategy by reference to certain financial and non-financial key performance indicators, for example, spend per visitor. Key risks are:

***Visitor numbers and exhibitions***

Turnover is largely dependent on the British Museum's visitor numbers and a strong public programme. The Group liaises closely with the British Museum regarding expectations of forthcoming events and exhibitions and plans accordingly. The level of visitors may also be affected by major events in central London, such as

**THE BRITISH MUSEUM COMPANY LIMITED**  
**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

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security issues or disruption to international travel. The Group participates in Museum committees that plan reactions to such events.

*Credit risk*

The Group's principal financial assets are bank balances and cash, trade and other debtors. The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. The Group has no significant credit risk at year end, its major debtors being counterparties with whom the Group enjoys close and ongoing relationships.

**Directors**

The Directors, who served throughout the year, were as follows:

Christopher Yates (Chair)  
Roderick Buchanan  
Joanna Mackle  
Jane Whittaker  
Jonathan Williams

**Statement of Directors' responsibilities**

The Directors (who are also trustees of The British Museum Company Limited for the purposes of charity law) are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company and Group will continue in business.

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

**THE BRITISH MUSEUM COMPANY LIMITED**  
**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

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The Directors confirm that:

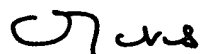
- so far as each Director is aware, there is no relevant audit information of which the charitable company's and the Group's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's and the Group's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's and the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Group receives notice under section 488(1) of the Companies Act 2006.

The Directors' Report, incorporating the Strategic Report, was approved by the Directors on **17** June 2019 and signed on their behalf by:



Christopher Yates  
Chair

**THE BRITISH MUSEUM COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED 31 MARCH 2019

Registered company number: 01079888

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE BRITISH MUSEUM COMPANY LIMITED**

**Opinion**

We have audited the financial statements of The British Museum Company Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Statement of Financial Activities (including an Income and Expenditure Account), the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows 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 group's and parent charitable company's affairs as at 31 March 2019 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent 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.

**Basis for opinion**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 group and parent 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.

**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. 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.

**Conclusions relating to going concern**

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

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



**THE BRITISH MUSEUM COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Reference and administrative details and Directors' Report (incorporating the Strategic Report) set out on pages 1 to 5, 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.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, the directors (who are also the trustees of the charitable company for the purposes of charity 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 directors 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 directors are responsible for assessing the group and the parent 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 directors either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

**THE BRITISH MUSEUM COMPANY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

*Grant Thornton UK LLP*

Jennifer Brown BA FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

20 JUNE 2019

**THE BRITISH MUSEUM COMPANY LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)**

FOR THE YEAR ENDED 31 MARCH 2019

Registered company number: 01079888

	Notes	Total funds (all unrestricted) 2018/19 £'000	Total funds (all unrestricted) 2017/18 £'000
<b>Income from:</b>			
Charitable activities	2	6,294	6,863
Other trading activities	3	9,980	9,477
Investments	4	83	37
<b>Total</b>		<b>16,357</b>	<b>16,377</b>
<b>Expenditure on:</b>			
Charitable activities	5	(8,206)	(7,772)
Raising funds	5	(6,621)	(6,276)
<b>Total</b>		<b>(14,827)</b>	<b>(14,048)</b>
<b>Net income for the year</b>	6	<b>1,530</b>	<b>2,329</b>
<b>Other recognised losses</b>			
Actuarial (loss) / gain on defined benefit pension scheme	16	(559)	910
<b>Net movement in funds</b>		<b>971</b>	<b>3,239</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	15	6,794	3,555
Total funds carried forward	15	7,765	6,794

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

The accompanying notes on pages 12-27 form part of these financial statements.

**THE BRITISH MUSEUM COMPANY LIMITED**  
**CONSOLIDATED AND COMPANY BALANCE SHEETS**

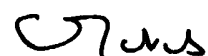
AT 31 MARCH 2019

Registered company number: 01079888

	Notes	2019 Group £'000	2018 Group £'000	2019 Company £'000	2018 Company £'000
<b>Fixed assets</b>					
Tangible assets	7	349	440	349	440
Intangible assets	8	64	62	64	62
Investments	9	-	-	1,000	1,000
		<b>413</b>	<b>502</b>	<b>1,413</b>	<b>1,502</b>
<b>Current assets</b>					
Stocks	10	2,003	1,918	870	982
Debtors	11	1,122	956	4,499	4,132
Short term deposits		9,191	9,154	9,191	9,154
Cash at bank and in hand		10,504	9,130	10,504	9,130
		<b>22,820</b>	<b>21,158</b>	<b>25,064</b>	<b>23,398</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(2,482)</b>	<b>(2,125)</b>	<b>(5,726)</b>	<b>(5,365)</b>
<b>Net current assets</b>		<b>20,338</b>	<b>19,033</b>	<b>19,338</b>	<b>18,033</b>
<b>Total assets less current liabilities</b>		<b>20,751</b>	<b>19,535</b>	<b>20,751</b>	<b>19,535</b>
<b>Defined benefit pension scheme liability</b>	16	<b>(12,986)</b>	<b>(12,741)</b>	<b>(12,986)</b>	<b>(12,741)</b>
<b>Net assets including defined benefit pension scheme liability</b>		<b>7,765</b>	<b>6,794</b>	<b>7,765</b>	<b>6,794</b>
<b>Funds</b>					
Unrestricted funds					
Share capital	14	750	750	750	750
General funds	15	20,001	18,785	20,001	18,785
Pension reserve	15	(12,986)	(12,741)	(12,986)	(12,741)
<b>Total funds</b>		<b>7,765</b>	<b>6,794</b>	<b>7,765</b>	<b>6,794</b>

The accompanying notes on pages 12-27 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 17 June 2019.



Christopher Yates  
Chair

**THE BRITISH MUSEUM COMPANY LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 MARCH 2019**

Registered company number: 01079888

	Notes	2018/19 £'000	2017/18 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	17	<b>1,435</b>	3,021
<b>Cash flows from investing activities:</b>			
Investment interest	4	<b>83</b>	37
Purchase of tangible assets	7	<b>(79)</b>	(48)
Purchase of intangible assets	8	<b>(31)</b>	(62)
Net cash used in investing activities		<b>(27)</b>	(73)
<b>Change in cash and cash equivalents in the year</b>		<b>1,408</b>	2,948
<b>Cash and cash equivalents at the beginning of the year</b>		<b>18,284</b>	15,336
<b>Cash and cash equivalents at the end of the year</b>		<b>19,692</b>	18,284
<b>Analysis of cash and cash equivalents</b>		<b>2019 £'000</b>	<b>2018 £'000</b>
Short term deposits		<b>9,191</b>	9,154
Cash at bank and in hand		<b>10,504</b>	9,130
Bank overdraft	12	<b>(3)</b>	-
<b>Total cash and cash equivalents</b>		<b>19,692</b>	18,284

The accompanying notes on pages 12-27 form part of these financial statements.

# THE BRITISH MUSEUM COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

Registered company number: 01079888

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### 1. Accounting policies

#### Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice for Charities FRS 102 (SORP FRS 102), the Companies Act 2006 and the Charities Act 2011. The British Museum Company Limited meets the definition of a public benefit entity under FRS 102.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of financial activities in these financial statements. The income of the parent company was £6,359k (2017/18: £6,925k), before Gift Aid income from its subsidiary British Museum Ventures Limited of £3,377k (2017/18: £3,176k), and the expenditure was £8,206k (2017/18: £7,772k).

The principal accounting policies of the Group are set out below. They have all been applied consistently in these accounts throughout the year and the preceding year. The functional currency is and the financial statements are presented in Sterling (£).

#### Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking, British Museum Ventures Limited (registration number 01442912), drawn up to 31 March each year.

#### Going concern

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

#### Income

Income from charitable activities comprises trade and retail sales of publications, replicas and other products and services relating to the British Museum made by the charitable company, net of Value Added Tax. It also includes any grants to the Company.

Income from other trading activities comprises trade and retail sales of merchandise and souvenirs made by British Museum Ventures Limited, net of Value Added Tax. It also includes commission receivable from the catering outlets located in the British Museum, and licensing income.

Income is recognised once the Company has provided the associated goods or services. Where income is received in advance and the Company does not have entitlement to these resources until the goods or services have been provided, the income is deferred. Grants are recognised when there is entitlement, receipt is probable and the amount can be reliably measured.

#### Expenditure

Expenditure is recognised in the financial statements on an accruals basis. Expenditure is classified in the statement of financial activities under the principal categories of charitable activities and raising funds.

Expenditure comprises direct expenditure including direct staff costs attributable to the activity. Where costs cannot be directly attributed, they are allocated to activities according to the method described in note 5b.

Expenditure on raising funds is that incurred in carrying out the trading activities of British Museum Ventures Limited.

**THE BRITISH MUSEUM COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

Registered company number: 01079888

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**1. Accounting policies (continued)**

**Tangible Assets**

Tangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. Tangible assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible assets commencing from the month of acquisition, other than assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	2 - 20 years
Computer equipment	2 - 20 years

**Intangible Assets**

Intangible assets with an economic life of more than one year and value greater than £5,000 are capitalised. Intangible assets are stated at cost, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets commencing from the month of acquisition, other than assets in the course of construction, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Websites	2 - 5 years
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**Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value, where cost includes materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

**Foreign currency**

Transactions in foreign currencies are expressed in Sterling at the rates of exchange at the date of conversion into Sterling. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

**Funds structure**

The Company has the following categories of funds:

- restricted funds whose investment or usage is subject to specific restriction imposed by sponsors and donors.
- general funds which are available for use at the discretion of the Directors in furtherance of the general objectives of The British Museum Company Limited.

The major funds comprising each category, the summary results for the year and a description of the movements between the funds are described in note 15.

**THE BRITISH MUSEUM COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2019

Registered company number: 01079888

**1. Accounting policies (continued)****Contributions to pension schemes****Defined Contribution Scheme**

For the defined contribution scheme the amount charged to the statement of financial activities reflects the contributions payable to the scheme in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

**Defined Benefit Scheme**

The British Museum Company Limited operates a defined benefit scheme which requires contributions to be made to a separately administered fund.

The amounts charged to expenditure are the current and past service costs (included within staff costs) and the net interest on the net defined benefit liability (included as a staff-related support cost). Actuarial gains and losses are recognised immediately on the face of the statement of financial activities.

The assets of the scheme are held separately from those of the Group, in separate trustee-administered funds. Pension scheme assets are measured at fair value. Scheme liabilities are measured using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The resulting defined benefit net asset or liability is presented separately on the face of the balance sheet.

**Significant judgements and estimates**

There are a number of actuarial assumptions used in the quantification of the Group's defined benefit pension commitments. These are disclosed in note 16. Other judgements and estimates applied in the preparation of these accounts are as set out in the policies above. With the exception of those relating to the pension commitments and the stock provision, none have a material impact on the accounts.

**2. Income from charitable activities**

	2018/19	2017/18
	£'000	£'000
Charitable trading	6,294	6,863
	<u>6,294</u>	<u>6,863</u>

**3. Income from other trading activities**

	2018/19	2017/18
	£'000	£'000
Retail and trade sales and licensing income	8,709	8,196
Hospitality income	1,271	1,281
	<u>9,980</u>	<u>9,477</u>



**THE BRITISH MUSEUM COMPANY LIMITED**  
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**4. Income from investments**

	2018/19 £'000	2017/18 £'000
Interest receivable	83	37
	<u>83</u>	<u>37</u>

**5a. Expenditure**

	Direct costs £'000	Support costs £'000	Total 2018/19 £'000	Total 2017/18 £'000
Charitable activities	7,703	503	8,206	7,772
Raising funds	5,829	792	6,621	6,276
Total resources expended	<u>13,532</u>	<u>1,295</u>	<u>14,827</u>	<u>14,048</u>

Included within charitable activities direct costs is a contribution to the British Museum of £4.0m (2017/18: £3.0m).

**5b. Allocation of support costs**

	Governance £'000	Service charge £'000	IT £'000	Staff related £'000	Building £'000	Other £'000	Total 2018/19 £'000	Total 2017/18 £'000
Charitable activities	11	233	23	149	22	65	503	575
Raising funds	17	367	37	234	35	102	792	757
Total support costs	<u>28</u>	<u>600</u>	<u>60</u>	<u>383</u>	<u>57</u>	<u>167</u>	<u>1,295</u>	<u>1,332</u>

Costs that cannot be directly attributed to The British Museum Company Limited's activities are allocated to activities on a basis consistent with the use of resources. All support costs are allocated using the proportion of direct expenditure (excluding the contribution to the British Museum) spent on each of the objectives.

**5c. Staff costs**

	2018/19 £'000	2017/18 £'000
Wages and salaries	1,849	1,889
Social security costs	173	177
Pension costs	176	151
	<u>2,198</u>	<u>2,217</u>

**THE BRITISH MUSEUM COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

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**5c. Staff costs (continued)**

During the year, the Group contracted independent third parties to provide temporary staff with a value of £474k (2017/18: £379k) in addition to the costs noted above.

The number of employees whose total employee benefits (excluding employer pension costs) amounted to over £60,000 in the year was as follows:

	2018/19	2017/18
£60,001 - £70,000	2	2
£90,001 - £100,000	1	1
	<u>3</u>	<u>3</u>

The key management personnel of the Group are those of the British Museum. Key management personnel did not receive any remuneration from the Group in the year (2017/18: £nil).

One director was remunerated by the Company during the year, for his employment with the Company (2017/18: one). The other directors were remunerated by the British Museum, of which the Company is a wholly-owned subsidiary, for their employment with that entity. Details as follows:

	Salary	Salary	Pension	Pension	Other	Other
	2018/19	2017/18	benefits	benefits	benefits	benefits
	£'000	£'000	2018/19	2017/18	2018/19	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Company</b>						
Roderick Buchanan	100	41*	10	4*	1	1*

\* These figures represent the remuneration receivable as a director (since appointment on 2 November 2017).

**British Museum**

Christopher Yates	142	139	35	34	-	-
Joanna Mackle	127	125	31	31	-	-
Jane Whittaker	92	90	22	22	-	-
Jonathan Williams	111	109	27	27	-	-

**5d. Average number of full time equivalent employees**

	2018/19	2017/18
Charitable and other trading activities	64	67
	<u>64</u>	<u>67</u>

The average head count during the year excluding agency staff was 68 (2017/18: 73).

**THE BRITISH MUSEUM COMPANY LIMITED**  
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**6. Net income**

Net income for the year is stated after charging:

	2018/19 £'000	2017/18 £'000
Auditor's remuneration: for audit of the Group's accounts	25	24
Auditor's remuneration: for audit of the subsidiary company's accounts	2	2
Depreciation	170	158
Amortisation	29	-
Foreign exchange loss	18	7

**7. Tangible assets - Group and Company**

	Fixtures and fittings £'000	Computer Equipment £'000	Group and Company Total £'000
<b>Cost</b>			
At 1 April 2018	2,802	776	3,578
Additions	79	-	79
Disposals	(51)	(163)	(214)
<b>At 31 March 2019</b>	<b>2,830</b>	<b>613</b>	<b>3,443</b>
<b>Depreciation</b>			
At 1 April 2018	(2,362)	(776)	(3,138)
Charged in the year	(170)	-	(170)
Disposals	51	163	214
<b>At 31 March 2019</b>	<b>(2,481)</b>	<b>(613)</b>	<b>(3,094)</b>
<b>Net book amount at 31 March 2019</b>	<b>349</b>	<b>-</b>	<b>349</b>
Net book amount at 31 March 2018	440	-	440

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**8. Intangible assets - Group and Company**

	Assets in the course of construction £'000	Websites £'000	Group and Company Total £'000
<b>Cost</b>			
At 1 April 2018	62	-	62
Additions	31	-	31
Transfers	(93)	93	-
<b>At 31 March 2019</b>	<b>-</b>	<b>93</b>	<b>93</b>
<b>Amortisation</b>			
At 1 April 2018	-	-	-
Charged in the year	-	(29)	(29)
<b>At 31 March 2019</b>	<b>-</b>	<b>(29)</b>	<b>(29)</b>
<b>Net book amount at 31 March 2019</b>	<b>-</b>	<b>64</b>	<b>64</b>
Net book amount at 31 March 2018	62	-	62

**9. Investments**

The Company owned the whole of the £1 million (2018: £1 million) of issued share capital of British Museum Ventures Limited, which is a company registered in England and Wales.

**10. Stocks**

	<b>Group 2019 £'000</b>	<b>Group 2018 £'000</b>	<b>Company 2019 £'000</b>	<b>Company 2018 £'000</b>
Work in progress	29	18	29	18
Finished goods and goods for resale	1,974	1,900	841	964
	<b>2,003</b>	<b>1,918</b>	<b>870</b>	<b>982</b>

**THE BRITISH MUSEUM COMPANY LIMITED**  
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**11. Debtors**

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade debtors	624	396	624	396
Amounts due from group undertakings (excluding subsidiary)	22	81	22	81
Amounts due from subsidiary undertaking	-	-	3,377	3,176
Other debtors	19	19	19	19
Prepayments and accrued income	457	460	457	460
	<u>1,122</u>	<u>956</u>	<u>4,499</u>	<u>4,132</u>

**12. Creditors: amounts falling due within one year**

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade creditors	612	420	612	420
Amounts owed to group undertakings (excluding subsidiary)	1,086	1,110	1,086	1,110
Amounts owed to subsidiary undertaking	-	-	3,244	3,240
Taxation and social security	315	324	315	324
Accruals and deferred income <sup>1</sup>	347	207	347	207
Other creditors	119	64	119	64
Bank overdraft	3	-	3	-
	<u>2,482</u>	<u>2,125</u>	<u>5,726</u>	<u>5,365</u>

<sup>1</sup> The movement on deferred income is as follows:

	Group 2018/19 £'000	Group 2017/18 £'000	Company 2018/19 £'000	Company 2017/18 £'000
Deferred income brought forward	33	9	33	9
Released in year	(33)	(9)	(33)	(9)
Deferred in year	8	33	8	33
Deferred income carried forward	<u>8</u>	<u>33</u>	<u>8</u>	<u>33</u>

The deferred income relates to income invoiced in advance.

**THE BRITISH MUSEUM COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

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**13. Trading subsidiary - British Museum Ventures Limited**

Profit and loss, and movement in retained earnings, for year ended 31 March:

	2018/19	2017/18
	£'000	£'000
Turnover	8,709	8,196
Cost of sales	(3,834)	(3,680)
Gross profit	4,875	4,516
Administrative expenses	(2,820)	(2,643)
Other operating income	1,271	1,281
Operating profit	3,326	3,154
Interest receivable	51	22
Result on ordinary activities before taxation	3,377	3,176
Taxation	-	-
Result on ordinary activities after taxation	3,377	3,176
Retained earnings brought forward	-	-
Donation under the Gift Aid scheme	(3,377)	(3,176)
Retained earnings carried forward	-	-

Net assets at 31 March comprise:

	2019	2018
	£'000	£'000
Stocks	1,133	936
Debtors	3,244	3,240
Creditors: amount falling due within one year	(3,377)	(3,176)
Net assets	1,000	1,000

**14. Share capital - Group and Company**

	2019	2018
	£'000	£'000
Authorised		
750,000 ordinary shares of £1 each	750	750
Allotted, called up and fully paid		
750,000 ordinary shares of £1 each	750	750

**THE BRITISH MUSEUM COMPANY LIMITED**  
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**15. Funds**

There was no restricted income in the year (2017/18: £nil).

The unrestricted fund comprises accumulated income and income generated in year.

The defined benefit pension reserve represents the current shortfall on the defined benefit pension scheme.

**15a. Movement in funds - Group**

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Other gains/ (losses) £'000	Transfers £'000	At 31 March 2019 £'000
Unrestricted income funds:						
Share capital	750	-	-	-	-	750
General funds	18,785	16,357	(14,420)	-	(721)	20,001
Pension reserve	(12,741)	-	(407)	(559)	721	(12,986)
<b>Total</b>	<b>6,794</b>	<b>16,357</b>	<b>(14,827)</b>	<b>(559)</b>	<b>-</b>	<b>7,765</b>

**15b. Movement in funds - Company**

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Other gains/ (losses) £'000	Transfers £'000	At 31 March 2019 £'000
Unrestricted income funds:						
Share capital	750	-	-	-	-	750
General funds	18,785	9,736	(7,799)	-	(721)	20,001
Pension reserve	(12,741)	-	(407)	(559)	721	(12,986)
<b>Total</b>	<b>6,794</b>	<b>9,736</b>	<b>(8,206)</b>	<b>(559)</b>	<b>-</b>	<b>7,765</b>

## THE BRITISH MUSEUM COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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## 16. Pensions - Group and Company

### Defined Contribution Scheme

The Company operates a defined contribution pension scheme for the benefit of the employees who commenced their employment after 1 January 2000. The assets of the scheme are self-administered in funds independent from those of the Company. The total employer's contributions to this scheme during the year were £104k (2017/18: £103k).

### Defined Benefit Scheme

The Company operates a defined benefit pension scheme for its employees who commenced their employment prior to 1 January 2000, the British Museum Company Limited Retirement Benefits Plan. The assets of the scheme are held separately from those of the Company and are managed by the BM Co Pension Trustee Company Limited.

For employees joining the scheme before 1 November 1993, the scheme is non-contributory. Employees joining the scheme with effect from 1 November 1993 pay 5% of pensionable salary towards the total. The cost of insuring the death in service benefits is payable in addition to these amounts.

### *Actuarial valuation*

The pension scheme undertakes a full triennial actuarial valuation. This valuation establishes how much the scheme's assets are worth and how much the scheme needs in order to pay pensions as they fall due (the 'technical provisions'). Legislation states that pension trustees must be prudent when choosing the assumptions on which to base the valuation and sets a statutory funding objective that assets should be sufficient to cover a scheme's technical provisions, with a recovery plan drawn up to address any funding gap.

As at 31 March 2017, the date of the last completed full actuarial valuation, the scheme had 102 members, and the market value of the scheme was £12,091,000. The actuarial value of those assets was sufficient to cover 53% of the benefits that had accrued to members, after allowing for expected future increases in earnings on a statutory funding objective basis. Current and future contributions reflect the deficiency.

With effect from 1 April 2015, a schedule of contributions was put in place to fund the scheme's defined benefits at the rate of 28.7% per annum of pensionable salary for scheme members together with a deficit reduction payment of £356k per annum from 1 April 2015 to 31 March 2021. With effect from 1 April 2018, these contributions have been increased to 44.0% per annum of pensionable salary for scheme members together with a deficit reduction payment of £677k per annum from 1 April 2018 to 31 March 2034.

Employer's pension contributions to the scheme during the year totalled £721k (2017/18: £384k). The company expects to contribute approximately £723k to its defined benefit pension scheme in the year ending 31 March 2020.

### *FRS 102 valuation*

There are different ways of valuing a pension scheme. The valuation included in these accounts is based on the results of the last completed triennial actuarial valuation of the scheme as at 31 March 2017, updated to 31 March 2019 by an independent qualified actuary (Broadstone Corporate Benefits Limited) and adjusted to take account of the requirements of FRS 102.

In contrast with the requirement under the statutory funding objective basis that assumptions must be prudent, FRS 102 stipulates that the assumptions should lead to the best estimate of the future cash flows that will arise under the scheme liabilities. It also specifies that the discount rate should be based on the current rate of return on high quality corporate bonds of equivalent currency and term to the scheme liabilities.



**THE BRITISH MUSEUM COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2019**

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**16. Pensions - Group and Company (continued)**

The amounts recognised in the balance sheet are as follows:

	2019 £'000	2018 £'000
Fair value of scheme assets	13,003	12,489
Present value of scheme obligations	(25,989)	(25,230)
Defined benefit pension scheme liability	<u>(12,986)</u>	<u>(12,741)</u>

The amounts recognised in the statement of financial activities are as follows:

	2018/19 £'000	2017/18 £'000
Current service cost	46	48
Past service cost	26	-
Net interest cost	335	351
Total	<u>407</u>	<u>399</u>

Changes in the present value of the defined benefit obligation:

	2019 £'000	2018 £'000
Opening value of defined benefit obligation	25,230	25,778
Current service cost	46	48
Interest cost	677	667
Actuarial loss / (gain) - effect of experience adjustments	101	(138)
Actuarial loss / (gain) - effect of changes in assumptions	281	(803)
Benefits paid	(296)	(322)
Past service cost	26	-
Liabilities extinguished on settlements	(76)	-
Closing value of defined benefit obligation	<u>25,989</u>	<u>25,230</u>

**THE BRITISH MUSEUM COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

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**16. Pensions - Group and Company (continued)**

Changes in the fair value of the scheme assets:

	2019	2018
	£'000	£'000
Opening value of scheme assets	12,489	12,142
Interest income	342	316
Actuarial loss - return on scheme assets excluding interest	(177)	(31)
Contributions by employer	721	384
Benefits paid	(296)	(322)
Assets distributed on settlements	(76)	-
Closing value of scheme assets	<u>13,003</u>	<u>12,489</u>
Actual return on scheme assets	<u>165</u>	<u>285</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2019	2018
Target Return Funds	81%	80%
Property	19%	19%
Insured Pensioner	-	1%

*Employer-related assets*

The value of the scheme's assets does not include any financial instruments issued by, or any property occupied by, or any other asset used by, the Company.

**THE BRITISH MUSEUM COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2019**

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**16. Pensions - Group and Company (continued)**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2019</b>	<b>2018</b>
Discount rate at 31 March	<b>2.5%</b>	2.7%
Future salary increases	<b>3.6%</b>	3.5%
Future pension increases		
- Pre 1 May 1991	<b>3.0%</b>	3.0%
- 1 May 1991 to 31 December 2001	<b>5.0%</b>	5.0%
- 1 January 2002 to 31 December 2007	<b>3.6%</b>	3.5%
- Post 31 December 2007	<b>2.4%</b>	2.4%
Commutation allowance	<b>25.0%</b>	25.0%
RPI inflation	<b>3.6%</b>	3.5%
CPI inflation	<b>2.6%</b>	2.5%
Mortality – base table	<b>S2PA</b>	S2PA
	<b>CMI 2018</b>	CMI 2016
Mortality - future improvements	<b>1.0%</b>	1.0%
Life expectancy of male aged 60 now	<b>85.8</b>	86.5
Life expectancy of male aged 60 in 20 years	<b>87.0</b>	87.8
Life expectancy of female aged 60 now	<b>87.9</b>	88.5
Life expectancy of female aged 60 in 20 years	<b>89.2</b>	89.8

**THE BRITISH MUSEUM COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

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**17. Reconciliation of net income to net cash flow from operating activities**

	2018/19	2017/18
	£'000	£'000
Net income for the year	1,530	2,329
Adjustments for:		
Depreciation	170	158
Amortisation	29	-
Investment interest	(83)	(37)
(Increase) / Decrease in stocks	(85)	234
Increase in debtors	(166)	(73)
Increase in creditors	354	395
Increase / (decrease) in defined benefit pension scheme liability	245	(895)
Actuarial (loss) / gain on defined benefit pension scheme	(559)	910
Net cash provided by operating activities	1,435	3,021

**18. Capital commitments**

At the balance sheet date the value of capital commitments was £nil (2018: £36k, relating to intangible assets).

**19. Taxation**

The charitable company is eligible to exemption from taxes on income arising from the pursuit of its charitable objectives under Part 11 Corporation Tax Act 2010. Its subsidiary, British Museum Ventures Limited, is subject to UK Corporation Tax. In the Consolidated Statement of Financial Activities, expenditure on raising funds is stated net of corporation tax recoverable of £nil (2017/18: £nil).

**20. Funds received as agent**

The Company serves as agent for the collection of certain income on behalf of the British Museum and The British Museum Friends (BMF). In the year to 31 March 2019, the Company received funds totalling £1,206k in its capacity as agent of the British Museum, payable in full to the British Museum (2017/18: £1,228k), and £14k in its capacity as agent of BMF, payable in full to BMF (2017/18: £21k). The receipt of these funds is not recognised within the Company's income, nor its distribution recognised within the Company's expenditure. At 31 March 2019, £67k remained to be paid to the British Museum (2018: £92k) and £9k to BMF (2018: £5k). These amounts are included on the balance sheet within Amounts owed to group undertakings.

**THE BRITISH MUSEUM COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**21. Related party transactions**

In line with paragraph 33.1A of FRS 102, the Company, as a wholly owned subsidiary of the British Museum, is not required to disclose transactions with other wholly owned members of the group headed by the Trustees of the British Museum.

Jane Whittaker is a director of The BM Co Pension Trustee Company Limited which is the Trustee of The British Museum Company Limited Retirement Benefits Plan (the "Plan"). The activity of the Plan in the year and its closing balances at 31 March 2019 are disclosed in note 16.

Employees and Trustees of the British Museum and employees of the Group are entitled to a discount on purchases from the Group's shops and restaurants. Details of any transactions in the year have not been disclosed here.

There are no other related party transactions.

**22. Controlling party**

The directors consider the ultimate controllers of this company to be the Trustees of the British Museum.

Copies of the British Museum group financial statements can be obtained from the registered office of the British Museum, Great Russell Street, London, WC1B 3DG.