

Charity Registration Number 280389
Company Registration Number 1488690
Museum Registration Number 973

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Ben Uri Art Society Limited (by guarantee)

Annual Reports and Accounts

Year ended 31 March 2004



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Ben Uri Art Society Limited (by guarantee)
General Information

Trustees

A list of the trustees can be found on page 7.

Administrative and Registered Office

108a Boundary Road
St. John's Wood
London NW8 0RH

Solicitors

Berwin Leighton Paisner,
Adelaide House,
London Bridge,
London EC4R 9HA

Auditors

Blick Rothenberg,
12 York Gate,
Regents Park,
London NW1 4QS

Bankers

HSBC plc,
31 Euston Road,
London NW1 2ST

COIF Charity Funds,
St Alphage House,
2 Fore Street,
London EC2Y 5AQ

Charity Number

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BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
YEAR ENDED 31 MARCH 2004

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**BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2004**

Welcome to the 2005 Ben Uri Annual report for the financial year ending 31 March 2004 and covering the many events through to December 2004.

The Ben Uri Art Society will be 90 years 'young' in 2005 and is Britain's oldest Jewish cultural and collection based institution. We are Europe's only dedicated Jewish Museum of Art and are committed by vision and philosophy to attract and address the widest possible audiences from across all communities and nationalities in new, innovative and interesting fashions.

We are a 'value' driven institution - by necessity as well as philosophy - and 2004 has been another non-stop year. We undertook an extensive and demanding Options Analysis through leading museum consultants AEA of London & New York, to rigorously test our approach to exactly what the Board believes Ben Uri should be achieving, to whom, how best we should be communicating, which location of a number in London offers the best opportunity to connect to the largest number of visitors and finally whether to achieve in partnership or continue as a stand alone museum and gallery. We have gained much from the six month exercise and are clear in our objectives and the alternative strategies to achieve in 2005 and beyond.

We can again report real achievements during the period under review which are a tribute to our team of only three paid staff ably assisted by committed and expert volunteers who all work within the tightest budgets and continually achieve results that 'punch far above our weight'.

We continue to build the brand values of scholarship, visitor care and community involvement that we believe are essential for the Ben Uri to 'make a difference'. The list below shows just some of the 2004 highlights both pre and post the financial year end and following on from last years report;

- Exhibitions across the contemporary and historic landscapes - Jenny Stolzenberg was opened by Maureen Lipman at the beginning of 2004; followed by a Tribute to Alexander Walker showing his collection alongside the British Museum; The Modern & The New which was a successful experimentation of exploring dialogues between young artists from this country and abroad and prize works from our permanent collection; to Wolmark, a Pioneer of British Modernism opened by Sandy Nairne, Director of the National Portrait Gallery - all gaining much quality press critical acclaim and generating increased visitor numbers and regular repeat visits.
- We are indebted to our many private and museum lenders including: Tate, National Portrait Gallery, Leeds City Art Gallery, University of Leeds Art Collection, Arts Council Collection, Southampton City Art Gallery, Bradford Art Galleries and Museums, Atkinson Art Gallery, Ferens Art Gallery, Musée des Beaux-Arts d'Orléans; amongst others.
- Continuation of our now firmly established museum partnership and touring programme with the Kramer / Roberts exhibition travelling to Leeds last year and our Wolmark exhibition travelling to the Ferens Art Gallery in Hull at the end of November 2004 - both museums have an outstanding collection of 20th Century British Art to which our exhibition complimented.
- Lending works from our collection to museums across the world from Germany to New York as well as at home to the Whitworth Art Gallery in Manchester and to the Whitechapel Gallery in London.
- The outstanding success of the inaugural Ben Uri International Jewish Artist of the Year Award attracting over 800 entries from 15 countries from as far as Australia, USA, Turkey and Israel coupled with fund-raising receptions in continued partnership with the FHU.

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
CHAIRMAN'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2004

- The launch of an innovative education programme for schools and art students expertly crafted by Shelly Dennison.
- Development of a fresh approach to programmes for adults by Ann Rau Dawes and for artists by Sarah Lightman, which will be launched during 2005.
- The introduction of an ambitious visitor experience programme that demonstrates that museum visitors are our number one priority and to ensure each guest has the opportunity to leave our exhibitions knowing more about the artists and their work than before.
- 2004 saw the further development of our Friend's programme ably devised by Kate Silverman which was universally well-received and this year's programme is even better!
- The launch of our Community Access programme where we 'sweat the asset' and allow the gallery to be used for meetings to be of service to our local communities and social events such as singles nights and wine and cheese tasting to introduce new and younger friends to the gallery.
- Playing a meaningful role in the Association of European Jewish Museums and contributing to The Council of Jewish American Museums as well as Jewish communal organisations such as Jewish Culture UK which brings together all the major cultural providers in London - all alongside ongoing contributions to London and National museum and cultural organisations in the wider secular world where we operate and compete for visitor attention.
- The production of our first Ben Uri Arts Diary in late 2003, followed by this years stunning publication which was supported by some 150 paying sponsors. It is an outstanding method of PR and fundraising, in our view another Ben Uri market leader and will be further developed in future years.
- The opportunity to present to two distinguished judges from Holland and Germany representing The European Museum of the Year Award our vision and philosophy of how Ben Uri, Europe's only dedicated Jewish Museum of Art should communicate and achieve its mission within the wide international mainstream museum and gallery sector.
- A clear and researched acquisition strategy to continue to build a world class collection with the invaluable assistance of The Art Fund, The Heritage Lottery Fund, The MLA / V&A Purchase Grant and a growing list of like minded supporters.
- Building the Collection' - the bedrock of our museum. 2004 saw the addition of many important works to our collection led by the acquisition in November of David Bomberg's master work 'Racehorses' from 1913. It was with tremendous pride we dedicated 14 pages to our new acquisitions in the 2005 Ben Uri Arts Diary.
- Access - 2004 saw the start of an ongoing programme to encourage visits by the elderly, physically and/or visually impaired through simple and innovative initiatives including specially designed exhibition story boards, gallery guides, free handouts amongst others.

**BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
CHAIRMAN'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2004**

Mission Statement

The Ben Uri Gallery, founded in 1915, is Europe's only dedicated Jewish Museum of Art working in partnership with secular and Jewish museums in the UK and internationally.

Its purpose is to enable the largest possible audience, drawn from the widest possible communities from both at home and abroad, to explore for inspiration, learning and enjoyment, the work, lives and contribution of British and European artists of Jewish descent, placed where relevant alongside their non-Jewish contemporaries, within the artistic and social context of the national cultural heritage.

Its principal route to achieving this is through easy access – via location, publication and Internet - to:

The Permanent Collection:

The largest of its kind in the world, close to 1000 works, accessed physically or virtually via exhibitions, research, and acquisitions.

Temporary exhibitions:

Curating, touring and hosting important, internationally-focused exhibitions of the widest artistic appeal, which, without the museum's remit, would not be seen in the UK.

Publications:

Commissioning new academic research on the artists and their historical context to accompany the museum's exhibitions.

Library and Archive:

A resource dating from the turn of the 20th century, documenting and tracing in parallel the artistic and social development of both the Ben Uri and Jewish artists, working or exhibiting in Britain, alongside (and as part of) the evolving British historical landscape.

Education Programmes:

For adults, students and school children, through symposia, lectures, student packs and visits.

Artist and community involvement:

Through exhibition opportunities, competitions, social events and visits.

Website:

Providing an on-line educational and access tool, to function as a virtual gallery and artists' reference resource for students, collectors and scholars.

Acquisitions

The bedrock of a museum is its collection and we attempt to maximise the inspiration and effect from ours.

This Board is determined to continue to enhance the collection and has researched a comprehensive acquisition plan to address the gaps by period or movement in our historical collection and combat the significant weakness in post 1960 British, European and Israeli and current contemporary practice in general - a weakness this year's acquisitions begin to redress.

**BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
CHAIRMAN'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2004**

We reported last year on the many important works added to the collection since 2001 including three by Mark Gertler and his seminal work 'Rabbi & Rabbitzin' being the highlight. 2004 has witnessed a further substantial contribution to strengthening the collection through the invaluable help of many private donors and particularly The Art Fund, The Heritage Lottery Fund and The MLA/V&A Purchase Grant Fund.

Let us share with you the story of two of this year's acquisitions;

Emmanuel Levy's 'Crucifixion' from 1942. We bid successfully and this very important evocation from 1942 - not 1945 when it was public knowledge - of the fate of European Jewry under Hitler's regime is a key work of its time and is now safely protected for the general public in the museum's collection. It was 100% funded from our own resources.

David Bomberg's master work 'Racehorses' from 1913 was acquired at Sotheby's in November setting a record price and this acquisition sets a new benchmark for the Ben Uri. It was acquired following concentrated effort and funding by generous private supporters and The Art Fund, The HLF and the MLA/V&A Purchase Grant Fund.

'90 for 90' celebrates Ben Uri's 90th birthday in 2005 in a unique manner. The collection has been fully audited and as a result a comprehensive restoration programme will be launched in 2005 entitled '90 for 90' seeking to raise sufficient funds to fully conserve works and frames of 90 of our important works.

Collection Committee;
Julia Weiner, Trustee, Chair
Dr Madeleine Korn
Jacky Klein
David Mazower
Irving Grose
Rachel Dickson

Conclusion

Ben Uri has started to match our mission - 'To Inspire, To Connect, To Make a Difference' and by exploiting the universal language of Art in a well considered and focused manner we can play yet a bigger role and provide a meeting place of independent minds and cultures that foster greater understanding in these nervous times beset by suspicions and senseless labelling.

Our most acute problems lie in 'joining circles' of recruiting and developing an executive management team that have sufficiently wide and mixed experience to be able, simultaneously, to multi task within five different skills bases ;

- Scholarship and Museum programmes - our 'product' of exhibitions, education, collection.
- Marketing the product to maximise the benefit to the largest group of visitors.
- Manage and organise staff and volunteers and the diverse and growing requirements that Ben Uri generate.
- Extend our thinking imaginatively and in an entrepreneurial manner to address the fundamental demands of a museum and gallery in the 21st century.
- Fund Raise through grant appeal and effective relationship building and management.

**BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
CHAIRMAN'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2004**

It is an unreasonable expectation to expect 'all in one' and the reality is a museum of this size will not attract such a candidate if available on the market. The issue is one of skill segmentation and prioritisation within and building an effective support structure, and the only consolation is that we are at least ahead of some in the game as we recognise and grapple with the problem. The importance of a skilled volunteer corps and an ongoing development programme of both paid and volunteer staff and Trustees is an essential part of this solution and we are committed to this.

Finance; We continue to operate at a deficit even though we produce programmes of the highest scholarship and market them shrewdly at a substantially reduced cost compared to the industry averages. Insufficient income remains a core anxiety as it is pointless to produce little of value which only impacts a few – it is all then an unproductive effort – but equally we have to be financially viable and as yet we are not. The tragedy is that few institutions of our size, physically, staffing or financially can boast such levels of achievement but as yet we have not found a body of supporters who will adequately fund core operating costs.

This is in part but not fully as a result of our Board being, necessarily, too active in the operation of the museum. Our Board as well as our management team remain ill equipped to successfully generate increased levels of donations and financial sponsorship from the goodwill we establish as a result of our imaginative, relevant and forward thinking approach. We again this year have not effectively exploited the opportunities we create and although we are far further on in terms of grant applications and establishing important relationships than ever before we seriously suffer from not having the resources to employ a senior dedicated Development Director.

These are core and fundamental issues that have to be addressed effectively in 2005 if we are to continue to articulate our forward thinking approach as how a museum should impact its constituencies across each of its functions.

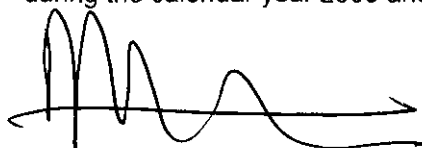
Finally I pay tribute to all my fellow Trustees and particularly to those who chair sub committees and / or sit on our Executive for their dedication and sheer hard work. I pay particular tribute to Simon Bentley for his unrestricted time and sound judgement which I and his colleagues find invaluable.

Muriel Emanuel, who retired from the Board in 2003 died at the end of June 2004 and we pass our condolences to her husband and children. She is greatly missed.

John Wosner and then Gordon Hausmann stood down in the autumn of 2004 following 2 and 3 years of highly respected service respectively. We pay great tribute to them both and thank them again publicly.

Karen Sanig, partner and head of Art Law at Mishcon de Reya has been co-opted to the board in an honorary capacity and will advise on legal matters.

I look forward with my Executive colleagues to addressing the difficult decisions of Board and management sustainability, fund raising and future strategy with regard to location and partnership during the calendar year 2005 and with them will do everything in our power to succeed.



David J Glasser
Chairman

11/02/2005

**BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED
31 MARCH 2004**

Introduction

The members of the Council of Management (in their capacity as Trustees and Directors) present their report on the affairs of the Ben Uri together with the financial statements and the report of the auditors for the year ended 31 March 2004.

The activities of the Ben Uri Art Society

The Ben Uri was founded in 1915 and named after Bezalel Ben Uri, the craftsman-builder of the Tabernacle, who is mentioned in Exodus 31.

The Ben Uri has been at the heart of the artistic and cultural life of Anglo Jewry since its foundation and its activities during the year continued to be concerned with the promotion of Jewish art as a fundamental part of Jewish cultural heritage. With close to a thousand paintings, sculptures, drawings and prints, the Ben Uri Museum holds the largest collection of its kind in the world.

The Ben Uri is a registered member of the Museum and Galleries Commission and provides a showcase for exhibitions of contemporary art as well as for its permanent collection. The collection includes works by the foremost Jewish artists of this century including David Bomberg, Mark Gertler, Jacob Epstein, Leon Kossoff, Frank Auerbach, RB Kitaj and there have recently been important additions to our collection as detailed in the Chairman's Statement.

The collection is also used as a vital source of information for students researching the work of Jewish artists. The Ben Uri provides a number of facilities for assisting teachers, students and researchers, promoting understanding of both the rich culture and artistic diversity of Jewish artists.

A review of the progress for the year and the financial report for the year are included in the Chairman's Statement.

Contributions of Volunteers

Our activities have been rewarded by a continually growing Friends' base and this year we have been the recipients of over 800 separate donations. We have also been fortunate to have the help of many volunteers to run and manage our exhibition and education programmes.

Nature of governing document and how the Charity is constituted

The Charity, which is a company limited by guarantee and not having a share capital is constituted by its Memorandum and Articles adopted in April 1980 and amended in 1983 and 1986. Further revisions are being prepared for this to be updated and modernised.

Structure and corporate governance

The Ben Uri Art Society is incorporated, in England & Wales, as a company whose liability is limited by guarantee and with the status of a registered charity.

The affairs of the Ben Uri Art Society are directed by the Council of Management all the members of which are formally appointed as directors of the Ben Uri Art Society. The Council is involved in the determination of policy and in monitoring its implementation. The Council meets approximately four times a year and the Executive at least monthly, sometimes when required more often, with daily exchanges of e-mails.

**BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED
31 MARCH 2004**

Policy of Election of Members

The Trust was registered in 1980. This comprises the members of the Council, including the Honorary Officers, namely the Chairman, Vice Chairman, and up to 2 honorary treasurers and honorary secretary, the President and up to 3 Vice Presidents. The Council operates by means of committee and executive who report to the Council on a timely basis. Particular thanks are due to the members of the Permanent Collections Committee and Acquisitions Committee.

Risks facing the charity and the method by which the charity mitigates these risks

The major risks identified by the trustees, to which the charity is exposed have been continuously reviewed and control systems have been established to mitigate these risks.

Reserve Policy

The Society aims to hold sufficient reserves to fund its short-term financial liabilities to ensure that its activities (which are of a continuing nature) are not disrupted at any time during the financial year, as incoming resources are variable in time and amount and dependent on the nature of the activities undertaken during the year.

Results

The net outgoing resources for the year amounted to £38,545 (2003: £55,306)

The members of Council (in their capacity as Trustees and Directors) during the year were:

Simon Bentley – Vice Chairman
David Breuer-Weil
David Glasser – Chairman
Irving Grose
Peter Gross (deceased August 2003)
Gordon Hausmann (Resigned 14 October 2004)
Peter Hoffman
Jonathan Horwich
Sydney Levinson
David Mazower
Diane Michaels
Michael Posen
Marilyn Rosenfelder
Myra Waiman
Julia Weiner
Humphrey Wine
John Wosner (Resigned 9 August 2004)

**BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED
31 MARCH 2004**

Statement of the Council of Management's responsibilities

Charity and company law requires the Council (in their capacity as Trustees and Directors) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Ben Uri and of the income and expenditure for the year then ended. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are responsible and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Ben Uri will continue in business.

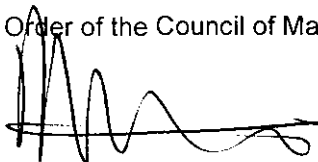
The Council has responsibility for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the Ben Uri and enable it to ensure that the financial statements comply with current statutory requirements, the Companies Act 1985, the Statement of Recommended Practice: Accounting by Charities (The Charities SORP 2000) and the charity's governing document.

It also has responsibility for safeguarding the assets of the Ben Uri and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing the reappointment of Blick Rothenberg as auditors of the Ben Uri will be put to the Annual General Meeting.

By Order of the Council of Management.



David J Glasser
Chairman

11/02/2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEN URI ART SOCIETY LIMITED
(BY GUARANTEE)
YEAR ENDED 31 MARCH 2004**

We have audited the financial statements on pages 10 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 12 and 13.

This report is made solely to the Council of Management in accordance with regulations made under Section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Council of Management those matters we are required to state to them in an auditors' 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 Council of Management for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and the auditors

As described on page 8, the Council of Management, in their capacity as trustees and directors, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Council of Management report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We read the Council of Management report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and with the Statement of Recommended Practice: Accounting by Charities (The Charities SORP 2000).

12 York Gate
Regent's Park
London
NW1 4QS

8 March 2005


BLICK ROTHENBERG
Chartered Accountants
Registered Auditors

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2004

	Notes	Unrestricted Fund £	Restricted Fund £	2004 Total £	2003 Total £
Incoming resources					
Exhibitions & catalogues		10,702	-	10,702	15,233
Subscriptions, donations, & sundry income		122,942	30,050	152,992	104,751
Legacies		9,994	-	9,994	-
Activities for generating funds					
Fund raising events		85,537	-	85,537	17,831
Interest & investment income	2	1,086	-	1,086	6,086
Total incoming resources		230,261	30,050	260,311	143,901
Resources expended					
<i>Cost of generating funds</i>					
General fund-raising & marketing	3	61,578	-	61,578	21,749
<i>Direct charitable expenditure</i>					
Artistic programme	3	189,919	27,048	216,967	161,718
Management and administration	3	20,083	228	20,311	15,740
Total resources expended	3	271,580	27,276	298,856	199,207
Net movement of funds - Net (expenditure)/income for the year		(41,319)	2,774	(38,545)	(55,306)
Fund balances brought forward		93,381	77,222	170,603	225,909
Net movement for the year		(41,319)	2,774	(38,545)	(55,306)
Fund balances carried forward	10,11	52,062	79,996	132,058	170,603

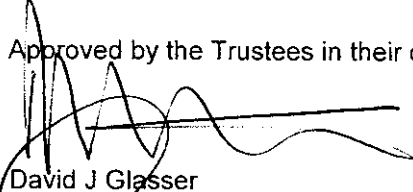
The statement of financial activities includes all gains and losses recognised in the year.

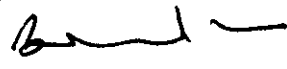
All incoming resources and resources expended derive from continuing activities.

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
BALANCE SHEET AT 31 MARCH 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	6	22,760	26,213
Inalienable assets	6	75,848	73,513
Investments	7	2	-
		<hr/>	<hr/>
		98,610	99,726
Current assets			
Stock		8,200	3,702
Debtors	8	27,303	13,336
Cash at bank and in hand		27,079	81,111
		<hr/>	<hr/>
		62,582	98,149
Creditors: amounts falling due within 1 year	9	29,134	27,272
		<hr/>	<hr/>
Net current assets		33,448	70,877
		<hr/>	<hr/>
Total assets less current liabilities		132,058	170,603
		<hr/>	<hr/>
Funds			
Unrestricted	10	52,062	93,381
Restricted	10, 11	79,996	77,222
		<hr/>	<hr/>
		132,058	170,603
		<hr/>	<hr/>

Approved by the Trustees in their capacity as directors on 11-02-05 and signed on their behalf by;


David J Glasser
Chairman


Simon Bentley
Vice Chairman

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

1. Accounting policies

a Basis of accounting

The financial statements have been prepared under the historical cost convention. They have been prepared in accordance with Company Law and applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities (issued in October 2000) and on a going concern basis.

b Income and expenditure

Income is brought into the financial statements when received or when there is certainty of receipt. Expenditure is accounted for on an accruals basis.

The results of exhibitions and fund raising events are recognised in the financial statements in the period in which the event takes place. Costs incurred and income received in connection with forthcoming events are deferred at the balance sheet date. If a decision is taken not to proceed with an event, the costs are written off.

The Statement of Recommended Practice on Accounting by Charities requires that costs be allocated between direct charitable expenditure and cost of generating funds. For those categories of expenditure where direct attribution is not applicable, apportionment has been applied on the basis of the time estimated to have been devoted to each activity.

Direct charitable expenditure includes the costs of maintaining the permanent collection and of mounting exhibitions and takes into account an appropriate proportion of overhead costs.

c Fund accounting

Unrestricted funds can be used for any aspect of the Ben Uri Art Society's work. Restricted funds comprise contributions received for the works of art fund.

d Investments

Investments are stated at cost less provision for diminution in value.

e Works of art

Works of art consist of paintings, sculptures and prints acquired by the Ben Uri Art Society by purchase, donation and bequest. Works are held for historical, artistic and educational reasons, principally as inalienable assets. The trustees consider the cost of attributing a value to them in these accounts outweighs any benefit, and in accordance with the requirements of Financial Reporting Standard 15 "Tangible Fixed Assets" and the SORP, these have not been capitalised. Where the acquisition cost is known, the assets are capitalised at the acquisition cost.

f Stock

Catalogues for resale are valued at the lower of cost and net realisable value.

g Pensions

The pension costs recognised in the financial statements represent a pension paid to a former employee.

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004 (continued)

1. Accounting policies (continued)

h Tangible fixed assets and depreciation

Tangible fixed assets are included at cost including any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

The Collection	Nil
Equipment	25% straight line
Furniture	15% reducing balance
Short leasehold property	Over 6 years

i Operating lease rentals

Costs incurred under operating leases are charged to the profit and loss account on a straight line basis.

j Comparatives

The comparative figures are for the year ended 31 March 2003.

k Restricted funds policy

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with an appropriate allocation of management and support

l Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. Accordingly the accounts present information about the company as an individual undertaking and not about its group.

2. Interest and investment income	2004	2003
	£	£
Bank and other interest receivable	<u><u>1,086</u></u>	<u><u>6,086</u></u>

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004 (continued)

3. Analysis of total resources expended

	Personnel Costs	Other Costs	Total 2004	Total 2003
	£	£	£	£
<i>Direct charitable expenditure</i>				
Artistic programme	67,276	149,691	216,967	161,718
<i>Other expenditure</i>				
Fund raising & marketing	1,079	60,499	61,578	21,749
Management & administration	7,054	13,257	20,311	15,740
Total resources expended	75,409	223,447	298,856	199,207

Other costs include:	2004 £	2003 £
Auditors' remuneration - audit fee	2,463	1,763
- non audit fees	-	1,000
Operating lease rentals - land and buildings	12,000	12,000
Depreciation	6,675	6,033

4. Particulars of employees

The aggregate payroll costs were:	2004 £	2003 £
Wages and salaries	67,122	37,311
Social security costs	7,037	3,032
Pension payments	1,250	1,250
	75,409	41,593

The Ben Uri Art Society employed an average of 3 members of staff (2003: 3).

No employee received remuneration amounting to more than £50,000 in either year.

The Ben Uri Art Society benefits from the provision, without charge, of a variety of skills and other services by the Members of Council. The benefit is not reflected in these accounts since it is not regarded as practicable to estimate its monetary value.

A pension has been paid to a former employee of £1,250 (2003: £1,250).

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004 (continued)

5. Transactions with Members of Council

No director or person defined by Accounting Standards as "related to them" received any remuneration for services as a director or in a management capacity during the year. During the year 4 trustees received £1,912 (2003: six trustees - £3,065) in respect of the reimbursement of expenses in respect of duties carried out as a trustee on behalf of the charity.

6. Fixed assets

	Inalienable assets £	Equipment £	Furniture £	Short leasehold property £	Total tangible assets £
Cost					
As at 1 April 2003	73,513	8,373	2,284	21,589	32,246
Additions	2,335	2,097	1,125	-	3,222
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2004	75,848	10,470	3,409	21,589	35,468
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
As at 1 April 2003	-	2,093	343	3,597	6,033
Charge for the year	-	2,618	459	3,598	6,675
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2004	-	4,711	802	7,195	12,708
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
As at 31 March 2004	75,848	5,759	2,607	14,394	22,760
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 March 2003	73,513	6,280	1,941	17,992	26,213
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The inalienable assets consist of works of art.

7. Investments

	Shares in group companies £
As at 1 April 2003	-
Additions	2
	<hr/>
As at 31 March 2004	2
	<hr/>

The charity owns the entire ordinary share capital of Ben Uri Enterprises Limited (1 ordinary share) and of The London Jewish Museum of Art Limited (1 ordinary share). Both companies were dormant during the year ended 31 March 2004.

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004 (continued)

8. Debtors

	2004 £	2003 £
Other debtors	13,743	5,210
Prepayments and accrued income	13,560	8,126
	<hr/> 27,303 <hr/>	<hr/> 13,336 <hr/>

9. Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft	-	3,565
Other creditors	9,037	12,845
Accruals	16,179	8,045
Other taxation and social security	3,918	2,817
	<hr/> 29,134 <hr/>	<hr/> 27,272 <hr/>

10. Analysis of net assets between funds

Fund balances at 31 March 2004 are represented by:

	Unrestricted Fund £	Restricted Fund (Building improvements) £	Restricted Fund (Artworks) £	Total £
Tangible fixed assets	18,614	9,110	70,886	98,610
Net current assets	33,448	-	-	33,448
	<hr/> 52,062 <hr/>	<hr/> 9,110 <hr/>	<hr/> 70,886 <hr/>	<hr/> 132,058 <hr/>

The restricted fund (Building improvements) is to be expensed over the lease period.

The restricted fund (Artworks) was established to acquire works of art for the Ben Uri collection (see note 6).

None of the unrestricted funds are designated for specific purposes.

BEN URI ART SOCIETY LIMITED (BY GUARANTEE)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004 (continued)

11. Analysis of movement in restricted funds

	As at 1 April 2003 £	Incoming resources £	Outgoing resources £	As at 31 March 2004 £
Building improvements	11,386	-	(2,276)	9,110
Artworks	65,836	5,050	-	70,886
Catalogue programmes	-	25,000	(25,000)	-
	77,222	30,050	(27,276)	79,996

The catalogue incoming resources were used to fund the production of exhibition catalogues

12. Status of company

The Ben Uri Art Society Limited is a company limited by guarantee which does not have a share capital. The members of the company are the trustees named on page 7. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

13. Commitments under operating leases

At 31 March 2004, Ben Uri Art Society had annual commitments under non-cancellable operating leases as set out below.

	2004 £	2003 £
Land and buildings		
Operating leases which expire:		
Within two to five years	14,000	12,000

14. Related party disclosures and controlling party

The immediate and ultimate controlling party is the Council of Management.

15. Statutory and technical accounting information

This note contains information required to comply with statutory and technical accounting pronouncements:

In relation to the statement of financial activities

No taxation is payable as the Ben Uri Art Society is a registered charity and accordingly is entitled to exemption from taxation on its charitable activities under the provisions of the Income and Corporation Taxes Act 1988.