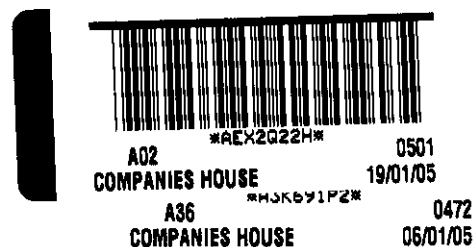


**The British Museum Friends  
Annual Report and Financial Statements  
For the year ended 31<sup>st</sup> March 2004**

Registered Charity No. 1086080  
Company Registration No. 4133346



# **The British Museum Friends**

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# **British Museum Friends**

## **Report of Council**

### **For the year ended 31<sup>st</sup> March 2004**

#### **The British Museum Friends Objectives**

The Friends' objective is to support the British Museum in maintaining and expanding its collections and its services to scholars and the general public. It achieves this by encouraging as many people as possible from all walks of life to become members. Success in these activities requires the Friends' Council and staff to be highly professional in all they do.

The Friends support the British Museum by:

- Making financial grants
- Helping to recruit volunteers
- Publishing the British Museum Magazine and ReMUS magazine
- Encouraging members of the Friends to make supplementary donations and legacies

The Friends support members by:

- Providing opportunities for members to get closer to the collections and curators in order to better understand the work and function of the Museum
- Arranging programmes of educational events and activities for adults and members of the Young Friends
- Publishing the Magazine for adult Friends and ReMUS for Young Friends
- Providing a member's room service in the West Residence

The Friends work for the benefit of the British Museum. Close working relationships are maintained with appropriate Museum staff in all the work of the Friends - whether this is for the organisation of events and activities or the publishing of the Magazine and ReMUS.

Address            The British Museum Friends  
                         Great Russell Street  
                         London WC1B 3DG

Registered Charity No.    1086080

Bankers            National Westminster  
                         PO Box 158  
                         214 High Holborn  
                         London WC1V 7BX

Auditors           Kingston Smith  
                         Devonshire House  
                         60 Goswell Road  
                         London EC1M 7AD

Investment Managers    Deutsche Asset Management Limited  
                         20 Finsbury Circus  
                         London EC2M 1NB

                         Merrill Lynch Fund Managers Limited  
                         33 King William Street  
                         London EC4R 9AS

# British Museum Friends

## Report of Council

### For the year ended 31<sup>st</sup> March 2004

#### The British Museum Friends' Council

The Countess Dalkeith	BMF Chairman (from November 2003) and BM Trustee
Nicholas Barber	BMF Chairman and BM Trustee (to November 2003)
Dudley Buchanan	Deputy Chairman
Richard Dalzell	Hon. Treasurer (co-opted January 2004)
Kusuma Barnett	Volunteer Co-ordinator
Griselda Bear	Fundraising Consultant
Andrew Burnett	Senior Keeper
Brendan Finucane	Barrister
JD Hill	BM Curator
Geoffrey House	Consultant
David Lindsell	Trustee of BM (appointed March 2004)
Henrietta McCall	Curator, Dept. of the Ancient near East, BM
Hugh Purcell	Film Maker
William Rathbone	Retired Charity Chief Executive
John Robins	Chairman, Austin Reed
Christopher Steel	Marketing Consultant
Sarah Stowell	Solicitor, Bircham Dyson Bell
Jeremy Taylor	Chairman, Townley Group
Kate Trevelyan	Managing Director, Burlington Magazine
Andrew Thatcher	MD of BM Company
Patsy Vanags	Educationalist
Patti White	Chairman, Young Friends
Hilary Williams	Art History Officer, Education Department, BM

The British Museum Friends is a charity in the form of a company limited by guarantee and the members of the Council are Directors of the Company. All but two members of the BMF Council are elected at the Annual General Meetings, the remaining two being British Museum Trustees who are appointed by the Trustees of the British Museum and adopted by the members at the AGM.

#### Staff

Head of BMF	Margaret Fenn
BMF Admin & Editorial Assistant	Emily Hopton
Finance Manager	Raj Phillips
Finance & Administration Assistant	Deborah Okoro
Events Manager	David Dinnage
Events Coordinator, Young Friends	Rebecca Murdoch
Events Assistant	Emily Bernard
Membership Marketing Manager (job share)	Vasilis Gialias
	Victoria Thompson
Membership Marketing Co-ordinator	Sharon Daish
Membership Database Co-ordinator	Victoria Diaz-Vilas
Membership Assistant	Laura Le Cheminant
Membership Assistant	Yiannis Xenarios
Volunteer Co-ordinator	Kusuma Barnett
Magazine Editor	Mira Hudson

**British Museum Friends**  
**Report of Council**  
**For the year ended 31<sup>st</sup> March 2004**

**Membership of Committees** (\* denotes a BMF Council Member)

Finance	John Robins (Chairman)*, William Rathbone*, Richard Dalzell (Treasurer)*, Dudley Buchanan*, David Lindsell*
Magazine	Brendan Finucane (Chairman) *, Kate Trevelyan*, Elizabeth Dalkeith*, Hugh Purcell*, Andrew Thatcher*, Marjorie Caygill.
Townley Group	Jeremy Taylor (Chairman)*, Griselda Bear*, Lord Egremont, Lady Heap, Rodney Little, Geoff Low, Judith Nugée, Henrietta McCall*, Professor Michael Rogers, Christopher Steele*, Sir Simon Towneley, Lady Trend, Jeremy Willoughby.
Young Friends	Patti White (Chairman)*, JD Hill*, Janna Spark, Delia Pemberton, Alison Bodley, Katie Opposs (13/14 years), Aram Karakashian (12/13 years), Ben Ryan (under 12 years)
Fundraising	Griselda Bear (Chairman)*, Henrietta McCall*

This report complies fully with the Statement of Recommended Practice for Charities, has been prepared in accordance with the provisions of the Companies Act 1985, and is in accordance with the Friends' Memorandum and Articles of Association.

# **British Museum Friends**

## **Report of Council**

### **Financial Review**

The last financial year saw a steady growth in the number of members and a continuation of major donations to the British Museum. By the end of the year BMF had 15,608 members who contributed £451,000 in grants to support the work of the Museum.

This growth was no accident; it reflects the cumulative efforts of many people: BMF's staff team, Council members, Volunteers, and the many members of the BM's own staff including curators and others less visible in Security, Front of House, Audio Visuals, Education and Design.

Above all this record reflects the enthusiasm for, and loyalty to, the BM of the BMF members. The Council takes this opportunity to thank you for your support. We do this in light of the fact that with your help we have donated over £3.5 million to the Museum since starting in 1968: £1.7 million of this has been donated in the past four years.

### **Support for the British Museum**

The support that the BMF gives the BM takes several forms: financial grants, fundraising donations, support for the Volunteer programme, and the Magazine.

### **Grants**

Because the British Museum has an annual purchase grant of just £100,000, BMF grants are extremely important: they help the Museum to expand its collections and, through the Townley Group, to extend research and work with other institutions in the UK and abroad.

Grants are made, on our members' behalf, at each quarterly council meeting where objects and projects are presented that have first been vetted by the Director.

BMF grants come from the accumulated surplus on members' subscriptions and donations.

Of the total £451,000, £65,300 was applied to Townley projects. Most of the remaining grants were for the acquisition of objects. Major grants during the year included: £150,000 (of the £250,000 committed over two years) for the Burney Relief, the Museum's special 250<sup>th</sup> anniversary object; £65,000 for the Fluorspa Cup, re-named the Barber Cup and purchased to celebrate the successful 11-year BMF chairmanship of Nicholas Barber; £35,000 for the Near Baldock Roman Temple Treasure, and £20,000 to help purchase the 'Path of Roses' an installation by Rachid Koraichi. Council is pleased to report that we supported all curatorial departments of the Museum during the year.

In addition Council made provision for the established Running Funds to help build museum collections in the areas of: Contemporary Prints and Drawings, Board Games, Ethnographical Textiles, 19<sup>th</sup> c. - 20<sup>th</sup> c. Design Objects, and Contemporary Coins and Medals.

In 2003, when redundancies had become unavoidable, BMF made a £250,000 pledge to the Museum to support a curatorial post for five years. This has helped to save a valuable position in the Department of Ethnography. This grant supports the whole cost of a senior subject specialist.

In many cases BMF grants act as seed money to start the process of acquiring an object: allowing the Museum to trigger further grants from external sources and as top up grants when other sources of funds, internal or external, have been exhausted.

Details of all grants are listed on page 14.

# **British Museum Friends**

## **Report of Council**

### **Fundraising**

No new fundraising appeal was initiated during the financial year. BMF had launched the Burney Relief Appeal in the closing months of 2002-3. In December 2002 the Museum asked Council for very special help. The Burney Relief had been offered to the Museum on several occasions dating back to the 1930s. Each time the asking price was more than the BM could afford from its purchasing budgets. The Relief came up for sale again in December 2002 in time for the 250<sup>th</sup> anniversary year. BMF's pledge of £250,000 helped to launch the Museum's fundraising drive.

We raised this together, from surpluses on subscriptions and from donations from members during the Appeal. Council take this opportunity to thank all members and especially those who made additional donations to our appeal in the spring of 2003. Much of this income came in February and March 2003 and does not show in these accounts.

### **Legacies**

Around 80% of all legacies left to the Museum come from members of the Friends.

In the past 12 months Pamela Cooper, Pauline Holden, Joanna Elizabeth Kelley and Theodore Harris left legacies to BMF. These members are missed greatly from our ranks.

### **Volunteers**

We have some 180 BMF volunteers on the volunteer register out of a total of almost 350 people. Considerable time is committed to the Museum by these volunteers who help at one-off events or on more specific and recurring tasks such as the gallery handling sessions.

Handling sessions, launched in 2001, are run by the volunteer programme. This popular activity has now been rolled out in several galleries and is a huge success. Tens of thousands of visitors get an opportunity to handle items from the collections during these sessions.

In addition volunteers on the Friends' desk in the Great Court play an essential part in recruiting new members from visitors in the Museum.

The Council thanks all volunteers, especially Kusuma Barnett the Volunteer Co-ordinator, who is herself a volunteer, for their hard work, support and commitment.

### **The Magazine**

Work continues to improve the Magazine. Council are delighted to report that the Magazine now runs to 64 pages compared to 44 pages last year. This increase has helped to build revenue from advertising, up 32% (£63,000 last year; £90,000 this year), gives readers a better insight into the work of the Museum, and provides a stronger publication for our members. Council thank Brendan Finucane for all his hard work and commitment to the development of the Magazine.

### **Membership**

Membership reached 15,608 by the end of the financial year. 1100 of these were Young Friends, 282 were Associate members and 159 were members of the Townley Group. Compared to the last financial year-end overall membership was up by 2.4%.

In addition BMF continue to serve the needs of the 55,000 employed, and circa 18,000 retired, employees of the John Lewis Partnership who are our corporate member. This programme brings BMF membership into the workplace, helping to communicate the work and role of the BM to the partners who come from all walks of life and all regions of Britain where John Lewis and Waitrose stores operate.

# **British Museum Friends**

## **Report of Council**

### **Young Friends of the British Museum**

Attendance at events remains high, Sleepovers continue to sell out and the Young Friends continued to return a surplus on operations. In addition the March 2004 annual 'Bash' sold out: 1,500 people attended and £20,000 was raised to help pay for the conservation of the Nebamun Wall Paintings.

Thanks go to Patti White, Chairman of the Young Friends, and to the generosity of all our Young Friends who make all events a sell-out.

### **Townley Group**

£65,000 was donated to specific projects thanks to the generosity of our Townley contributors. The Associate and Townley party is now an annual fixture where curators present their specific research projects: this provides an interesting and enjoyable event whereby curators take up 'pitches' to promote their projects to the assembled guests. This is followed during the year by visits to each of the projects so that individual donors get both a report on progress, and a closer understanding of the work of the Museum.

For the first time a group of Townley members visited Cnidus with curator Dr Ian Jenkins to view his project.

The Council thank Jeremy Taylor, Chairman of the Steering Group, and Henrietta McCall, Deputy Chairman, for their hard work and commitment to the Townley Group over the past seven years.

### **Events**

Our late night 'First Thursdays' have been unpopular with members and we are looking at ways of improving our open evenings. Other events including lectures, day visits and special weekend events, regularly sell out. Income from all events, including those for Young Friends, was £157,000 which is 32% up on last year. Members of the Townleys and Associate groups get priority booking for all BMF events.

### **Subscriptions**

Income for the year from subscriptions was £566,000. We are grateful to all Friends who signed a Gift Aid form. This brought in £131,500 – money that would otherwise have remained with the Inland Revenue. We also thank all members who pay by Direct Debit which helps to cut administration costs.

### **Finance**

The Statement of Financial Activities appears on page 11.

The net movement in funds for 2003/04 was a shortfall of £117,000 which compares with a surplus of £65,000 in the previous year.

Reasons for this change include:

In 2002-3 BMF received a one off payment of £103,000 in compensation from the Ladbroke Grove property. The property was re-valued to £800,000 on 31<sup>st</sup> March 2003, providing a surplus of £200,000.

Legacies were £69,000 higher than in the previous year.

The net contribution from Events was £44,000 in the year compared with £8,000 in the previous year. This was due to the highly successful 'Bash' in March 2004 which attracted a record attendance of over 1,500 and a growth in profit from adult events.

Support Management and Publicity costs increased by £79,000. This was due to the creation of two new posts, one in finance and a second in administration; an increased spend on a five year lapsed member survey; the King's Library receptions that took place in January 2004 and additional promotional activities.

Due to a recovery in the stock market there was an unrealised gain on non property investments of £44,000 compared to a deficit of £91,000 in the previous year.



# **British Museum Friends**

## **Report of Council**

### **Balance Sheet**

Total funds at 31 March 2004 were £1,227,000 which was represented by tangible fixed assets, the investment property and quoted investments.

The cash position remains satisfactory.

### **Investment Property**

The property, reflected in the balance sheet at £800,000, was bequeathed to the Friends under the will of Miss Eva Lorant who died in 1999.

Since 1986, the property had been let to a media company, which unfortunately entered into a Company Voluntary Administration in March 2003. Attempts to revive the company failed, unpaid rent increased and the condition of the property had deteriorated. As a result, the tenancy has been terminated with effect from May 2004 and the Friends are pursuing the company and its guarantor for the outstanding amounts due.

Substantial sums are required to reinstate the property ready for occupation and there are obvious problems associated with recovering these costs from the previous tenant. In view of this, and having taken professional advice, the Council decided at its meeting in June 2004 to offer the property for sale. This process is now under way.

### **Staff**

The office staff and office-based volunteers, led by Margaret Fenn, continued to work hard throughout the year to provide the best possible level of service to our members. This year was particularly challenging due to the changes in the chairmanship of BMF and the double office move whilst the re-organisation of space within the Museum was executed. It has been challenging at times and it is to the office staff's credit that the BMF operations, and the services to members, have been maintained in an efficient and business-like manner. Council thanks the team for their hard work and commitment.

### **Council**

Elizabeth Dalkeith, chairman, resigns at the AGM. Council and staff thank her for her commitment to the Friends, her service on Council as one of the two BM Trustees, and latterly as our BMF chairman.

It is the custom and practice for BMF Council members to serve a maximum of 6 years: 3 years on first election, and a further 3 years if re-elected. This voluntary code leads to a dynamic and vigorous council capable of responding to the changing needs of BMF as we work to support the development of the Museum. Andrew Burnett and Jeremy Taylor will stand down.

John Robins, who has served three years, latterly as Chairman of the Finance committee, does not put himself forward for re-election

Council warmly thank all these trustees who resign at the AGM in November for their hard work and commitment to the BMF.

### **Elections**

The AGM in November will see the election of a new Chairman, the co-option of the Treasurer and the adoption of the two BM trustee appointments, and the election of one additional trustee from amongst the membership.

Membership. Eva Ratz is known to many of our members. She is a long-standing member of the Friends and a volunteer. Eva is a sculptress who, in her spare time, raises money for the Royal Free Hospital in Hampstead.

BM Trustees. David Lindsell and Professor Barry Cunliffe have been appointed by the BM Trustees to serve as the two BM appointed trustees on BMF council.

Treasurer. Richard Dalzell was co-opted onto Council in January 2004 and he comes to the AGM to be elected to council.

Chairman. Professor Barry Cunliffe stands for election as Chairman of BMF.

# **British Museum Friends**

## **Report of Council**

Hugh Purcell and Kate Trevelyan put themselves forward for re-election. They have proved to be valued BMF trustees, and both have the full support of council.

### **Reserves Policy**

The Friends' reserves are held in the form of property and units listed in certain common investments funds. The investment policy is to manage these assets on a total return basis, such that the income and a proportion of any appreciation in capital value is taken to income and made available for distribution annually by way of grants to the British Museum.

Apart from the funds designated from the Eva Lorant legacy, and our fixed assets, the remaining reserves are held to provide for contingencies to enable selective "top-up" grants to be made to the Museum in the appropriate circumstances, and to help finance the furnishing of the Friends' Room.

The Trustees consider reserves approximating to twelve months of the total resources expended to be appropriate to ensure the on-going activities of the charity.

### **Grant Making Policy**

In accordance with its stated objective, the BMF supports the Museum by making grants to extend its permanent collection, and to help fund other Museum projects. The Council applies the BMF's annual surplus to these ends and on special occasions, such as the 250<sup>th</sup> Anniversary year, makes more substantial grants towards special purchases or projects from its accumulated funds. All applications for grants are first vetted and agreed by the Director of the Museum. The Council periodically authorises fundraising appeals in order to provide additional support for a major Museum project such as the King's Library or particularly important objects such as the Burney Relief.

### **Governance**

The Council aspires to the highest standards of governance to ensure that the BMF is run economically and effectively and that it achieves its charitable purpose to the full. As part of this process the governing documents are reviewed from time to time to ensure they keep pace with developments in legislation.

New trustees, to serve on BMF Council, are canvassed from the membership during the summer. In addition trustees are sought who have special skills needed on Council. All applicants are interviewed and selected to be put forward at the AGM. This ensures that the BMF's trustee body reflects the interests of the members and that the Council attracts the skills and experience needed to run the Charity in line with Charity Commission guidelines and current legislation.

In August 2003 the BMF was subject to an Inland Revenue Gift Aid inspection. This was the first such occasion and we were pleased to get a clean bill of health. The Inland Revenue's report highlighted examples of good practice. It also included some helpful suggestions which were more technical than substantive, and these have been adopted.

### **Risk Management**

The major risks to business, finance and reputation have been identified and reviewed by the Council. The Council have established systems to mitigate those risks. A full risk register has been compiled and is held in the BMF office.

*M. J. J.*  
12.1.05.

# **The British Museum Friends**

## **Independent Auditors' Report to the Members of**

# **The British Museum Friends**

We have audited the financial statements of The British Museum Friends for the period ended 31st March 2004 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charity's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charity and charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Council Members and Auditors**

The trustees', who are also the directors of The British Museum Friends for the purposes of company law, responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is 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 Trustees' Report is not consistent with the financial statements, if the charity 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 charity is not disclosed.

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

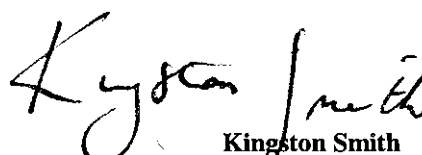
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31st March 2004 and of the incoming resources and application of resources, including its income and expenditure for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

12/1/05

Devonshire House  
60 Goswell Road  
London EC1M 7AD

  
**Kingston Smith**  
Chartered Accountants  
and Registered Auditors

## **The British Museum Friends**

### **Statement of Council Members' Responsibilities**

Law applicable to charities in England and Wales requires the council members as the trustees to prepare financial statements for each financial period which give a true and fair view of the charity's financial activities during the period and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the

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

The council members are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# The British Museum Friends

## Statement of Financial Activities (including Income and Expenditure Account) For the year ended 31st March 2004

	Note	Unrestricted funds £	Restricted funds £	Total 2004 £	Total 2003 £
<b>Incoming resources</b>					
Donations		14,353	-	14,353	10,844
Legacies		100,367	-	100,367	30,853
Ladbroke Grove compensation		-	-	-	103,014
Activities in furtherance of the charity's objectives					
Subscriptions	2	565,609	-	565,609	568,824
Townley Group		77,371	-	77,371	67,381
Magazine	5	92,913	-	92,913	63,830
Events		157,504	-	157,504	119,175
Activities for generating funds					
Investment income	3	35,724	-	35,724	41,051
Property income		26,000	-	26,000	31,500
Fundraising campaign		-	39,867	39,867	201,916
<b>Total incoming resources</b>		<b>1,069,841</b>	<b>39,867</b>	<b>1,109,708</b>	<b>1,238,388</b>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Property costs		29,542	-	29,542	16,963
Legacy campaign		8,788	-	8,788	-
Fundraising campaign		-	8,672	8,672	1,877
		<b>38,330</b>	<b>8,672</b>	<b>47,002</b>	<b>18,840</b>
<b>Charitable expenditure</b>					
Grants to the British Museum	4	420,231	31,195	451,426	612,617
Costs of activities in furtherance of the charity's objectives					
Magazine costs	5	161,546	-	161,546	123,468
Events costs		113,663	-	113,663	111,156
Publicity		56,383	-	56,383	19,383
Support costs	6	432,646	-	432,646	377,550
Management and administration	7	7,650	-	7,650	19,749
		<b>1,192,119</b>	<b>31,195</b>	<b>1,223,314</b>	<b>1,263,923</b>
<b>Total resources expended</b>		<b>1,230,449</b>	<b>39,867</b>	<b>1,270,316</b>	<b>1,282,763</b>
<b>Net outgoing resources</b>		<b>(160,608)</b>	<b>-</b>	<b>(160,608)</b>	<b>(44,375)</b>
<b>Other recognised gains and losses</b>					
Unrealised gains on investments		43,955	-	43,955	109,351
<b>Net movement in funds</b>		<b>(116,653)</b>	<b>-</b>	<b>(116,653)</b>	<b>64,976</b>
Balances brought forward at 1st April 2003		1,343,823	-	1,343,823	1,278,847
<b>Balances carried forward at 31st March 2004</b>		<b>1,227,170</b>	<b>-</b>	<b>1,227,170</b>	<b>1,343,823</b>

All gains and losses arising in the period are included in the statement of Financial Activities and arise from continuing operations.

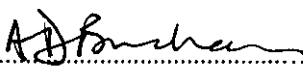
# The British Museum Friends

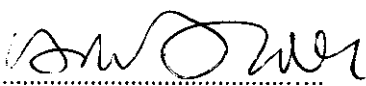
## Balance Sheet as at 31st March 2004

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	8	49,362	53,122
Investments	9	1,301,410	1,257,455
		<u>1,350,772</u>	<u>1,310,577</u>
<b>Current assets</b>			
Stock		-	2,459
Debtors	10	189,835	106,410
Cash at bank and in hand		343,272	642,958
		<u>533,107</u>	<u>751,827</u>
Creditors: amounts falling due within one year	11	(524,845)	(589,291)
<b>Net current assets</b>		<u>8,262</u>	<u>162,536</u>
<b>Total assets less current liabilities</b>		<b>1,359,034</b>	<b>1,473,113</b>
Creditors: amounts falling due after more than one year	12	(131,864)	(129,290)
		<u>1,227,170</u>	<u>1,343,823</u>
<b>Funds</b>			
Designated funds	15	1,124,362	1,128,122
Other unrestricted funds	15	102,808	215,701
		<u>1,227,170</u>	<u>1,343,823</u>

The financial statements were approved at a meeting of the Council

and signed on its behalf on: 16.11.04 by:

Dudley Buchanan  Acting Chairman

Richard Dalzell  Hon. Treasurer

# The British Museum Friends

## Notes to the Accounts

### For the year ended 31st March 2004

#### 1 Accounting Policies

##### Basis of Accounting

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain investment assets and in accordance with the Statement of Recommended Practice, Accounting & Reporting by Charities (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows:

##### Subscriptions

Subscriptions are included on a receipts basis.

Life subscriptions are treated as representing twenty years income; and a proportion is treated as income each year, and the unexpired portion treated as a creditor.

##### Legacies

Legacies are recognised in the accounts when the amount receivable can be reliably measured.

##### Fixed Assets

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life. The annual rates used are :

Members Room	5% straight line
Office Equipment	25% reducing balance

##### Capital Expenditure

Expenditure on computers and other small equipment is charged wholly to the income and expenditure account as other office costs in the year.

##### Stock

Stock is stated at the lower of cost and net realisable value. It represents stock of wine held for use for evening events. There were no stocks at 31 March 2004.

##### Irrecoverable VAT

Irrecoverable VAT is allocated to the relevant expense heading.

All of the above policies are unchanged from the prior year.

#### 2 Subscription Income

	2004 £	2003 £
Subscription income for the year comprises:		
Associate subscriptions	29,180	40,209
Membership subscriptions:	516,540	509,245
Life membership	9,925	9,731
Young Friends subscriptions	9,964	9,639
	<u>565,609</u>	<u>568,824</u>

#### 3 Investment Income

	2004 £	2003 £
Income from quoted investments	21,643	19,345
Interest receivable	14,081	21,706
	<u>35,724</u>	<u>41,051</u>

# The British Museum Friends

## Notes to the Accounts For the year ended 31st March 2004

<b>4 Grants to the British Museum</b>	<b>£</b>	<b>2004 £</b>
<b>Ancient Near East</b>		
Burney Relief:		
from fundraising	31,195	
from general reserves	<u>118,805</u>	150,000
<b>Pre-History and Early Europe</b>		
The Modern Collection (Running Fund)	5,000	
Near Baldock Roman Temple Treasure	35,000	
French Porcelain Saucer	4,000	
Tudor Dress Fittings	3,000	
Coral Parure Jewellery Set	5,000	
Sleaford Ring	6,500	
Pevensey Sword	<u>7,500</u>	66,000
<b>Coins and Medals</b>		
Contemporary Medals Collection (Running Fund)	3,000	
Macedonian Coin	750	
Anglo-Saxon Half Penny	<u>2,500</u>	6,250
<b>Ethnography</b>		
Ethno Curator's Post (first of five year commitment)	50,000	
Bedford Silver Jewellery	1,975	
"Path of Roses" installation by Rachid Koraichi	<u>20,000</u>	71,975
<b>Greek and Roman</b>		
Guildford Puteal	5,000	
Roman Lead-glazed Juglet	3,000	
The Fluorspar Cup (Renamed the Barber Cup)	<u>65,000</u>	73,000
<b>Asia</b>		
International Conference of European Association of SEAA		3,324
<b>Prints and Drawings</b>		
The Magritte Drawings		<u>5,000</u>
<b>Grants by BMF awarded in the current year</b>		<b>375,549</b>
<b>Grants by Townley Group awarded in the current year</b>		<b>65,300</b>
		<b>440,849</b>
<b>Other grants</b>		
June 7th Family Day - British Museum 250th Birthday Anniversary		5,000
Actium Lecture		2,370
Eva Lorant Lecture		1,335
Small Office Grants		<u>2,151</u>
<b>Total Grants for the year</b>		<b>451,705</b>
<u>Less: Overprovision of grants in 2002/03 written back</u>		<u>(279)</u>
		<b>451,426</b>



# The British Museum Friends

## Notes to the Accounts For the year ended 31st March 2004

<b>5 Magazine</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Income:		
Advertising income	90,241	63,455
Income from sale of magazines	2,672	375
	<u>92,913</u>	<u>63,830</u>
Cost:		
The British Museum Magazine	148,240	108,046
ReMus	13,306	15,422
	<u>161,546</u>	<u>123,468</u>
Net cost	<u>68,633</u>	<u>59,638</u>

<b>6 Support costs</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Staff costs	278,281	234,670
Recruitment, training and other staff costs	18,246	20,450
Associate and members' expenses	50,748	59,655
Young Friends' expenses	4,216	3,002
Postage, telephone, printing and stationery	48,813	40,989
Depreciation	4,290	3,728
Volunteers' expenses	3,686	6,170
Other office costs	24,366	8,886
	<u>432,646</u>	<u>377,550</u>

The permanent staff members are employees of the British Museum. The analysis of permanent and temporary staff costs are:

	<b>£</b>	<b>£</b>
Permanent staff costs	210,083	200,220
Temporary & agency staff costs	68,198	34,450
	<u>278,281</u>	<u>234,670</u>
Staff costs consists of:		
Salaries & wages	264,075	224,186
Employer NI	14,206	10,484
	<u>278,281</u>	<u>234,670</u>

<b>7 Management and administration</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Legal fees	-	5,600
Audit fee	6,750	4,000
Other fees paid to auditors	900	10,149
	<u>7,650</u>	<u>19,749</u>

In the opinion of the Council, the permanent staff of the organisation are directly involved in the charitable operations: overall responsibility for the organisation rests with the Council.

# The British Museum Friends

## Notes to the Accounts For the year ended 31st March 2004

8	Tangible fixed assets	Members' Room £	Office Equipment £	Total £
	<b>Cost</b>			
	Balance brought forward at 1 April 2003	72,266	23,757	96,023
	Additions during year	-	529	529
	At 31 March 2004	<u>72,266</u>	<u>24,286</u>	<u>96,552</u>
	<b>Depreciation</b>			
	Balance brought forward at 1 April 2003	21,320	21,581	42,901
	Charge for the year	3,613	676	4,289
	At 31 March 2004	<u>24,933</u>	<u>22,257</u>	<u>47,190</u>
	<b>Net book value</b>			
	At 31 March 2004	<u>47,333</u>	<u>2,029</u>	<u>49,362</u>
	At 31 March 2003	<u>50,946</u>	<u>2,176</u>	<u>53,122</u>

All assets are employed in the direct charitable activities.

9	Investments	2004 £	2003 £
	Quoted investments	501,410	457,455
	Investment property	800,000	800,000
		<u>1,301,410</u>	<u>1,257,455</u>

The quoted investments portfolio consists of the following investments that constitute greater than 5% of the market value:

	£	£
Charinco Common Investment Fund	241,637	248,842
Charishare Common Investment Fund	150,353	119,443
CAF UK Equity Growth Fund	109,421	89,170
	<u>501,410</u>	<u>457,455</u>
<b>Quoted investments (UK):</b>	<b>£</b>	<b>£</b>
Market value at 1 April 2003	457,455	298,105
Acquisitions at cost	-	250,000
Net gains/(losses) on revaluation at 31 March 2004	43,955	(90,650)
Market value at 31 March 2004	<u>501,410</u>	<u>457,455</u>
Historical cost at 31 March 2004	<u>500,490</u>	<u>500,490</u>

The investment property was re-valued at 31 March 2003 after consultation with the managing agents.

# The British Museum Friends

## Notes to the Accounts For the year ended 31st March 2004

<b>10 Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	21,645	3,636
Income tax recoverable	131,583	60,746
Great Court appeal	-	4,972
Prepayments and accrued income	36,607	37,056
	<u>189,835</u>	<u>106,410</u>
<b>11 Creditors: Amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors	49,012	90,694
Due to the British Museum:		
- Great Court Appeal	69,510	69,510
- Other	327,924	354,600
Taxation and social security	9,733	19,530
Accruals and deferred income	68,666	54,957
	<u>524,845</u>	<u>589,291</u>
<b>12 Creditors: Amounts falling due after more than one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Life subscriptions received in advance	<u>131,864</u>	<u>129,290</u>

### 13 Council Members

No council member received any remuneration for services in either year. One council member (2003: One council member) received re-imbursement of expenses of £1,762 (2003: £1,810) in her role as the volunteer co-ordinator. Another council member is an equity partner in Bircham Dyson Bell, solicitors, who have advised in relation to the investment property; fees of £9,400 have been accrued in this year's accounts (2003: £4,650); the council member concerned received no direct or indirect benefit as a result of these fees.

### 14 Unrestricted funds

		Balance brought forward	Incoming resources	Resources expended	Additions to fixed assets	Investment gains/(losses)	Balance carried forward
		£	£	£	£		£
<b>Designated funds</b>							
Legacy	(1)	1,075,000	-	-	-	-	1,075,000
Tangible assets	(2)	53,122	-	(4,289)	529	-	49,362
		<u>1,128,122</u>	<u>-</u>	<u>(4,289)</u>	<u>529</u>		<u>1,124,362</u>
<b>Other unrestricted funds</b>		<u>215,701</u>	<u>1,069,841</u>	<u>(1,226,160)</u>	<u>(529)</u>	<u>43,955</u>	<u>102,808</u>
		<u>1,343,823</u>	<u>1,069,841</u>	<u>(1,230,449)</u>	<u>-</u>	<u>43,955</u>	<u>1,227,170</u>

- (1) The Legacy fund was set up to hold funds received under a major legacy. It is the intention of the trustees that, although the legacy was not subject to restrictions by the donor, it should be treated as an expendable endowment.
- (2) The tangible fixed assets fund has been created in line with the current recommendation of the Charity Commission that reserves represented by fixed assets should be separately identified.

# The British Museum Friends

## Notes to the Accounts For the year ended 31st March 2004

### 15 Analysis of net assets between funds

	Restricted funds	Designated funds	Other unrestricted funds	Total
	£	£	£	£
Tangible assets	-	49,362	-	49,362
Investments	-	1,075,000	226,410	1,301,410
Current assets	-	-	533,107	533,107
Creditors	-	-	(656,709)	(656,709)
	<u>-</u>	<u>1,124,362</u>	<u>102,808</u>	<u>1,227,170</u>

### 16 Future Commitments

At the balance sheet date the only British Museum Friends' future financial commitment is a £50,000 annual grant for a further four years to The British Museum, to finance the curatorial post in the department of Ethnography.

### 17 Members liability

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £1.